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CIRCUIT COURT FOR MULTNOMAH COUNTY

IN THE CIRCUIT COURT OF THE STATE OF OREGON

FOR THE COUNTY OF MULTNOMAH

LF, an individual proceeding under a fictitious name, Plaintiff, v. **MOUNT BACHELOR EDUCATIONAL CENTER, INC., an Oregon corporation; ASPEN EDUCATION GROUP, INC., an inactive foreign corporation; CRC HEALTH OREGON, INC. and CRC HEALTH GROUP, INC., a corporation not registered to do business in Oregon,** Defendants.	Case No.: **1109-11909** **COMPLAINT** **11909** (Intentional Infliction of Emotional Distress/ *Respondeat Superior*; Negligent Infliction of Emotional Distress/ *Respondeat Superior*; Battery/ *Respondeat Superior*; Breach of Contract; Negligence; Fraud) **JURY TRIAL DEMANDED** (Not Subject to Mandatory Arbitration) PRAYER: $1,500,000.00

INTRODUCTION

1.

This case involves institutionalized physical and psychological child abuse at Mount Bachelor Academy, a "therapeutic boarding school" for troubled teens that was ordered closed by the State of Oregon Department of Human Services in 2009. Plaintiff, now an adult, had her already troubled childhood worsened by systematic psychological and physical abuse. Defendants' program was staffed by untrained, often only high-school educated counselors and instructors who attempted to psychologically break down and indoctrinate children in their care, typically by berating them in the harshest of terms and subjecting them to extreme psychological duress and other deprivations. Plaintiff was isolated from her family and allowed only very

PLAINTIFF'S EXHIBIT B

limited contacts, which were monitored by Defendants. Defendants instructed Plaintiff's parents not to believe her if she reported malfeasance or abuse. Plaintiff was denied basic medical rights, and run through a battery of "Lifestep" group encounters that ran for days at a time with no breaks, where little or no sleep was permitted, very little food provided, and traumatizing activities were required, such as making known victims of child sexual abuse act out sexual propositioning and activities on or with other residents as well as adult staff. At the same time, Defendants removed students from any education activity during extended periods of punishment, only allowing Plaintiff to engage in self-abusing personal examinations while in isolation, and left her without transferable academic credits. In short, Mount Bachelor Academy completely failed its mission as a therapeutic boarding school and only made things worse psychologically for Plaintiff.

COMMON ALLEGATIONS

2.

Plaintiff LF is a female resident born in the year of 1992. At all times relevant to this Complaint, Plaintiff LF was an unemancipated minor in the care and custody of Defendants at Mount Bachelor Academy from approximately May 2007 through December 2008.

3.

Defendant Mount Bachelor Educational Center, Inc., (hereinafter "MBEC"), is an Oregon corporation incorporated in 1988 and registered to do business in the State of Oregon. At all times relevant to this Complaint, MBEC owned and operated the facility known as "Mount Bachelor Academy" that boarded, psychologically conditioned, disciplined and ostensibly educated teenage individuals, including Plaintiff in this case, and purported to offer therapeutic, educational and residential services. Defendant Aspen Education Group, Inc., (hereinafter "Aspen"), is a California corporation not registered to do business in the State of Oregon, formed in 1997 as a successor to or subsidiary of College Health Enterprises, former owner/operator of MBEC. At all times relevant to this Complaint, Aspen operated various facilities meant to

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correct the behavior of teenagers viewed as behaviorally "troubled," emotionally disturbed or suffering from addiction or other mental disorders. At certain times relevant to this Complaint, Aspen was the owner of or successor in interest to MBEC. Aspen permanently closed Mount Bachelor Academy in December of 2009. Defendant CRC Health Group, Inc., is a California company not registered to do business in the State of Oregon, but conducts significant and sustained business in Multnomah County, Oregon. Defendant CRC Health Oregon, Inc. is an Oregon corporation with several offices or facilities located in Multnomah County, Oregon and elsewhere in the State of Oregon. Plaintiff alleges that discovery will show that at certain times relevant to this Complaint, the collective CRC entities were the owners of, successors in interest to, and/or controlling entities of both Aspen and MBEC. The CRC entities will be referred to hereinafter collectively simply as "CRC." Where applicable, MBEC, Aspen and CRC will all be referred to collectively as "Defendants." Mount Bachelor Academy operated as a "therapeutic" or "emotional growth" boarding school from 1988 until the State of Oregon permanently suspended Mount Bachelor Academy's operating license in November of 2009.

4.

At all times relevant to this Complaint, Defendants, through their agents, solicited and accepted teenage individuals for placement at Mount Bachelor Academy as a "therapeutic boarding school" away from and out of contact with Plaintiff's family and friends. At all times relevant to this Complaint, Defendants advertised and represented Mount Bachelor Academy to be a place where parents could send their teenage children with substance abuse, behavioral, motivational, emotional or discipline problems, to be professionally treated and remedied by caring professionals. Defendants presented their therapeutic learning model as one that provided academic and emotional growth, as well as being a boarding school that provided a warm and nurturing family atmosphere. In the course of accepting minor residents, including Plaintiff, Defendants undertook *in loco parentis* responsibilities for Plaintiff, and strictly controlled Plaintiff's schedule, activities and even basic physical movements.

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5.

At all times relevant to this Complaint, Defendants employed and empowered a group of adults identified as teachers, instructors and counselors (or identified by similar titles) ostensibly to provide instruction, education, counseling, moral guidance, behavioral correction and physical supervision to minor residents at Mount Bachelor Academy. This class of employee will be referred to generically throughout this Complaint as "counselors." Defendants empowered these counselors to enforce rules and policies as part of their employment, both those policies established by Defendants and those chosen or developed by the counselors themselves. Almost every one of Defendants' counselors had no formal training in psychology, psychiatry or child development and in most cases possessed no education beyond the high school level. These individuals attempted to engage in psychological treatment and behavior modification of the children at Mount Bachelor Academy, including Plaintiff.

6.

Defendants knew and intended their counselors' authority to extend to physical restraint, extreme psychological stressing and cruel emotional manipulation and attacks. Thus, Mount Bachelor Academy's program was one of institutionalized psychological and physical abuse of its minor residents. At all times relevant to this Complaint, Defendants knew of, approved of, authorized, ratified and/or required the use of all of the techniques used by its counselors against Plaintiff and described below. In engaging in or utilizing these techniques, individual counselors acted in the time and space limits of their agency with Defendants, were motivated, at least in part, by a desire to serve Defendants and their actions were of a type that counselors were required to do as part of their employment duties on behalf of Defendants.

7.

Plaintiff was subjected to physical abuse including but not limited to: exposure to the elements; forced standing; forcible and unnecessary physical restraint; sleep deprivation; light deprivation; sound torture; strip searches; forcing the Plaintiff to beat on inanimate objects until

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her hands bled; forcing other residents to physically attack or restrain Plaintiff; denial of restroom use; denial of prescription medication; and extended periods of extreme social isolation (during which the punished party could not look or smile at, or talk to any other residents, and had to eat all meals facing a wall). Many of these forms of abuse were an official, mandatory part of what Defendants called their "Lifestep" events – a series of group encounters sometimes lasting days – during which Plaintiff was kept in one room, not allowed to sleep, given minimal food and forced to endure various sensory tortures. Other abuses were part of official, sanctioned discipline during which residents were subjected to extreme forms of punitive labor for no pay, including eight to twelve hour days of such things as digging into the frozen earth, stump removal using hand tools without assistance and construction or dismantling of large rough structures for no reason, with only intermittent five minute breaks and little food during hours of such labor. All of this abusive conduct was central to Defendants' disciplinary and "therapeutic" method, and specifically approved or ratified by all Defendants at the corporate level.

8.

Plaintiff was subjected to psychological abuse and humiliation, including but not limited to: constant abusive and berating yelling, both by staff and by other residents who were required to verbally attack Plaintiff as part of the Program; forced isolation from all human interaction for days and sometimes weeks at a time; denigrating sexual insults by staff; forcing Plaintiff to verbally abuse other residents; humiliating role-playing before peers and staff (which included sexual components); disclosing and re-enacting sexual abuse episodes experienced elsewhere; forced sexual contact with/propositioning of other residents and staff; and isolation from family contacts. All of this abusive conduct was central to Defendants' disciplinary and "therapeutic" method, and specifically approved or ratified by Defendants.

9.

The various forms of abusive conduct and techniques discussed in paragraphs 6 through 8 above, were an official part of Defendants' "Lifestep" program or part of the ordinary and

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approved discipline of the school. The abusive conduct will hereinafter be generally and collectively referred to as the "Program." Defendants knew that the Program consisted of intentional conduct engaged in by their employees and agents, that this conduct was of the type described above, that Defendants' employees and agents actions were conducted on Defendants' behalf and that it resulted in physical and mental injury to residents of Mount Bachelor Academy, including Plaintiff. The Program was unjustified and unregulated, it was psychologically, behaviorally and therapeutically unfounded and it was objectively cruel to Plaintiff. The Program was intended/designed to be cruel and psychologically damaging, particularly with regard to the culture under which Plaintiff was raised.

10.

Defendants' counselors used their authorized employment duties to inflict the Program on Plaintiff and child abuse resulted from administration of the Program. The counselors' administration of the Program was: (1) committed in direct connection and for the purposes of fulfilling the counselors' employment and agency with Defendants; (2) committed within the time and space limits of their agency as counselors; (3) done initially and at least in part from their desire to serve the interests of Defendants; (4) done directly in the performance of their duties as counselor; (5) consisted generally of actions of a kind and nature which the counselors were required to perform and (6) done at the direction of, and pursuant to, the power vested in them by Defendants.

11.

The "child abuse" described throughout this Complaint meets the definition of "child abuse" found in ORS 12.117(2), and Defendants' knowledge and approval of the use of the "child abuse" by their employees and agents amounts to "knowing allowing, permitting, or encouraging child abuse" as those terms are used in ORS 12.117. Plaintiff is under 40 years of age, and pursuant to ORS 12.117(1), her claim is timely filed.

FIRST CLAIM FOR RELIEF

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Intentional Infliction of Emotional Distress

12.

Plaintiff re-alleges and incorporates by reference paragraphs 1 through 11, above.

13.

Defendants formed a special relationship with Plaintiff by soliciting her and/or her parents to attend their "therapeutic boarding school," accepting her as a resident and closely governing her conduct there. Defendants assumed *in loco parentis* responsibility for Plaintiff's well-being, took charge of every aspect of Plaintiff's life and eliminated virtually all of Plaintiff's interaction with the outside world. At the same time, Defendants ostensibly were instructing her on her emotional and psychological condition, assisting her in changing her behavior and claiming to provide standard educational services. In creating this special relationship, Defendants' responsibilities toward Plaintiff included a specific duty to avoid the infliction of emotional distress.

14.

Defendants' counselors and other agents, using the Program described in paragraphs 6 through 8 above, knowingly and intentionally caused severe emotional distress to Plaintiff when they psychologically and physically abused her through the Program. Defendants refused to allow Plaintiff unmonitored contact with her family and would end calls or destroy letters if Plaintiff attempted to tell her family what was occurring. During all seven on-campus "Lifestep" group encounters (some lasting for several days without interruption), Defendants forced Plaintiff to endure temperature extremes, meal deprivation and sleep deprivation, as well as denigrating, cruel and abusive shouting at Plaintiff. For instance, shortly after Plaintiff had been enrolled at Mount Bachelor Academy, Defendants began their process of psychological conditioning, and pressured Plaintiff to disclose the sexual abuse she suffered to her entire class. Then, knowing of this earlier abuse, Defendants proceeded to require Plaintiff's counselors and fellow residents to call her names such as "whore" and "slut," and told her that the abuse she

[redacted]

received was her own fault. Defendants then forced Plaintiff to act out sexual roles with both her fellow residents and adult male counselors during "Lifestep" group encounters. In one such example, Plaintiff was given the "job" of performing highly sexually suggestive dances ("lap dances") on other male residents while counselors and residents watched. Plaintiff was instructed to "dance like a slut" and chastised for not performing with sufficient enthusiasm. One instructor criticized Plaintiff for not being sexy enough and directed Plaintiff to perform lap dances on older male residents, instructing Plaintiff to sit on the residents' laps, place her arms around the residents and rub and gyrate against them. Plaintiff was also instructed to beg the recipients of her lap dances to love her and ask them what she could do to make them love her. In another example, Plaintiff was required to re-enact her worst nightmare (being raped) by having a male resident crouch over her in a threatening manner. The resident was instructed to keep advancing and coming at Plaintiff while Plaintiff repeatedly attempted to push him away. This exercise was repeated over and over until Plaintiff was screaming for it to end. In another example, Defendants arranged a group meeting for residents and instructors during which staff members shouted comments at Plaintiff such as "You're a whore," "You're a slut," "Do you want to get AIDS?" causing Plaintiff great emotional upset. In another example, Defendants prodded Plaintiff to throw a tantrum in front of residents and staff by gathering around Plaintiff and shouting at her that it was "fucked up" that she was sexually abused, but no one listened to her complaints. In another example, Plaintiff was required to interact with a male resident who had a sticker labeling him as her abuser on his chest. Plaintiff was instructed to face the resident and to shout out various statements using the form "__________ made me __________," such as "Daddy made me cut," "My brother made me want to commit suicide," etc. In another example, Defendants pressured Plaintiff not to reveal the sexual abuse she had received to outside authorities. Defendants pressured and instructed Plaintiff, before and during the course of a police investigation, to lie to the authorities and state that the claims of sexual abuse were untrue

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and that she made them up in an attempt to get attention for herself. This list of abusive acts is not inclusive.

15.

Plaintiff did in fact suffer severe emotional distress as a result of the abuse that occurred as part of the Program and such physical and psychological abuse of a child is beyond the bounds of all socially tolerable conduct.

16.

Defendants' counselors used the Program described in paragraphs 6 through 9 and 14 above, to intentionally inflict severe emotional distress on Plaintiff. Defendants' Program was administered by their counselors within the course and scope of the counselors' agency as described in paragraphs 9 and 10 above.

17.

As a result of Defendants' intentional infliction of emotional distress, Plaintiff has suffered permanent and lasting damages including, severe mental, emotional and physical harm at the time of the abuse, as well as later-manifesting and/or later-arising permanent psychological damage that was distinct in time and logic from what was suffered at the time of the abuse. These harms resulted in Plaintiff's non-economic damages in the amount of $1,000,000.00, the exact amount of which will be proven at the time of trial. In addition, Plaintiff here provides notice that at any time after the filing of this Complaint, Plaintiff intends to move for punitive damages against the Defendants pursuant to ORS 31.725.

18.

As a result of Defendants' intentional infliction of emotional distress, Plaintiff has incurred, and/or will incur in the future, costs for counseling, psychiatric, psychological and medical treatment. Plaintiff has also suffered lost economic opportunity for the interruption of her studies and the loss of family funds for secondary education. Plaintiff's economic damages

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total the approximate amount of $500,000.00, the exact amount of which will be proven at the time of trial.

SECOND CLAIM FOR RELIEF
Negligent Infliction of Emotional Distress

19.

Plaintiff re-alleges and incorporates by reference paragraphs 1 through 18, above.

20.

Defendants, acting within their special relationship, subjected Plaintiff to severe ridicule, harsh and unnecessary disciplinary measures and denial of an education, as described above. Additionally, as part of the Program, Defendants' counselors engaged in denigrating, cruel, and abusive berating of Plaintiff, frequently yelling at her that she was worthless, a "slut," a "whore" and unworthy of love.

21.

Defendants' administration of the Program was an intentional or reckless disregard of Plaintiff's feelings while in this responsible relationship. Defendants brutally invaded Plaintiff's protected interest in her privacy, emotional health and psychological well-being and this invasion was of a sufficient quality or magnitude to warrant recovery of emotional distress damages. As a result of this, Plaintiff suffered the damages described in paragraphs 17 and 18 above. In addition, Plaintiff here provides notice that at any time after the filing of this Complaint, Plaintiff intends to move for punitive damages against the Defendants pursuant to ORS 31.725.

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THIRD CLAIM FOR RELIEF

Battery

22.

Plaintiff re-alleges and incorporates by reference paragraphs 1 through 22, above.

23.

During the various "Lifestep" group encounters, Defendants controlled the physical conduct of all of the residents and counselors and directed, coerced or required both or other residents and staff to physically batter Plaintiff as part of the "Lifestep" program. Plaintiff was forced under duress to participate by threat of severe punishments if she did not appear to be participating fully in the activities.

24.

As an example, during one "Lifestep," residents and staff gathered around Plaintiff while she was induced into a tantrum state then physically piled on her and smothered her as an instructor rubbed her head. In another "Lifestep," Defendants ordered Plaintiff to kneel before a mattress with another resident lying across the backs of her legs trapping her in position and beat on the mattress with a tennis racket until she experienced back pain and hand abrasions.

25.

The piling on, smothering, rubbing and physical restraint constituted harmful and offensive touching to which Plaintiff did not and could not consent. At all times relevant to this Complaint, the persons who battered Plaintiff were acting under the forced compulsion or direction of Defendants.

26.

As a result of this physical battery at the orders of Defendants, Plaintiff suffered the damages described in paragraphs 17 and 18 above. In addition, Plaintiff here provides notice that at any time after the filing of this Complaint, Plaintiff intends to move for punitive damages against the Defendants pursuant to ORS 31.725.

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FOURTH CLAIM FOR RELIEF

Breach of Contract – Third Party Donee Beneficiary

27.

Plaintiff re-alleges and incorporates by reference paragraphs 1 through 26, above.

28.

Defendants created a contract with Plaintiff's parents for her direct benefit, and both parties intended that the contract benefit Plaintiff. Plaintiff's parents intended to make a gift to her of the education, boarding and therapeutic services promised in the contract.

29.

On information and belief, Plaintiff alleges that discovery will show that the terms of the contract – expressed or implied – included education to keep her on the same graduation track and curriculum level as her age-group peers who did not attend Mount Bachelor Academy, humane living conditions and treatment for any of Plaintiff's emotional or psychological conditions. No term in the contract disclosed that the methods used at Mount Bachelor Academy included the deprivation of education services, inhumane living conditions and severe psychological and physical abuse described above.

30.

Defendants breached the express or implied terms of the contract by subjecting Plaintiff to the deprivation of educational services during punishment periods, a lack of transferable education credits, intolerable living conditions and severe psychological and physical abuse. Defendants' breach of this contract caused Plaintiff to lose the benefits that she would have received under the proper performance of the contract.

31.

As a result of Defendants' breach of the express or implied terms of the contract, third-party donee beneficiary Plaintiff suffered the loss of benefits flossing from the contract as set out as part of the economic damages alleged in paragraph 18 above. These contract benefits total an

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amount to be determined by the jury at trial and include the tuition, room and board paid under the contract.

FIFTH CLAIM FOR RELIEF
Negligence

32.

Plaintiff re-alleges and incorporates by reference paragraphs 1 through 31, above.

33.

At all times relevant to this Complaint, Defendants had a special relationship with Plaintiff by virtue of Defendants' role as a residential boarding school, their control over Plaintiff's life and their near-total elimination of all of Plaintiff's contacts with the outside world. Defendants also had full control over the actions of Defendants' counselors while they performed their employment duties on behalf of Defendants. This special relationship created a duty of care on the part of Defendants to ensure Plaintiff's safety while participating in Defendants' Program or interacting with Defendants' agents.

34.

Defendants knew that children were suffering mental and physical abuse in the Program run by Defendants' counselors, and that several children had gone so far as to kill themselves in the course of the Program, specifically because of the Program. Defendants created and maintained this Program, employed the counselors and retained their exclusive right to control every aspect of the Program and the actions of the counselors within that Program.

35.

Defendants knew of the danger that they had created with the Program and/or given their special *in loco parentis* relationship with Plaintiff, yet Defendants did nothing to change the substance or format of the Program in any respect while Plaintiff resided at Mount Bachelor Academy. In fact, the Program *was* institutionalized/ritualized abuse. Thus, it was foreseeable – in fact certain – that unless Defendants changed the Program, children would continue to be

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mentally and physically abused. Alternatively, Defendants knew that the manner in which their minimally educated and trained counselors conducted the Program caused physical and mental injury to children, yet failed to more closely supervise and monitor their counselors to avoid such injuries. It was therefore foreseeable that the refusal or failure to better train and supervise their employees would result in continued abuse of children.

36.

Knowing the risks of physical and mental injury posed by the Program and/or the counselors' running of the Program, it was unreasonable for Defendants to fail to alter the nature of the Program or more closely supervise, monitor and train their agents and employees.

37.

Plaintiff had a right to be free from physical and mental abuse at the hands of Defendants' agents. Plaintiff was a resident at Mount Bachelor Academy and was within the class of persons to be protected by Defendants' proper operation of their Program.

38.

All of the damages suffered by Plaintiff, as described above, were caused by Defendants' refusal or failure to correct the known risks to Plaintiff's health, safety and mental health posed by Defendants' running of the program. But for Defendants' Program, Plaintiff would not have been subjected to the "Lifesteps" or the harsh and cruel discipline that Defendants inflicted upon Plaintiff.

39.

As a direct and foreseeable result of Defendants' refusal or failure to correct the problems in the Program, Plaintiff suffered the abuses described above and incurred the damages described in paragraphs 17 and 18.

40.

Plaintiff here provides notice that at any time after the filing of this Complaint, Plaintiff intends to move for punitive damages against the Defendants pursuant to ORS 31.725.

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SIXTH CLAIM FOR RELIEF

Negligence (Per Se Standard of Care)

41.

Plaintiff re-alleges and incorporates by reference paragraphs 1 through 40, above.

42.

At all times relevant to this Complaint, Defendants had a special relationship with Plaintiff by virtue of Defendants' role as a residential boarding school, their control over the life of Plaintiff and their near-total elimination of all of Plaintiff's contacts with the outside world. Defendants also had full control over the actions of Defendants' counselors while they performed their employment duties on behalf of defendants. This special relationship created a duty of care on the part of Defendants to ensure Plaintiff's safety while participating in Defendants' Program or interacting with Defendants' agents.

43.

With the abusive Program and disciplinary methods contained in the Mount Bachelor Academy program, Defendants violated the fixed legal standards of conduct contained in OAR 413-215-0001 to 413-215-0131 and OAR 413-215-0601 to 413-215-0681. Defendants' violation of the applicable fixed legal standards of conduct include:

1. Failing to properly dispense and provide medication to Plaintiff in violation of OAR 413-215-0651.
2. Failing to ensure Plaintiff had adequate access to educational services or the knowledge of the right to such educational services in violation of OAR 413-215-0611 and 413-215-0676.
3. Requiring that Plaintiff engage in an "emotional growth curriculum, including the "Lifesteps" program, that was punitive, humiliating, degrading and traumatizing in violation of OAR 413-215-0076(3).

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4. Requiring that Plaintiff engage in self studies and solo experiences for violating behavioral expectations in violation of OAR 413-215-0076(6).
5. Imposing "bans" on Plaintiff as a consequence for inappropriate behavior in violation of OAR 413-215-0076(6).
6. Censoring Plaintiff's communications with her parents in violation of OAR 413-215-0076(6).
7. Failing to provide adequate therapeutic services for Plaintiff's diagnosis or other issues in violation of OAR 413-215-0606.
8. Failing to provide Plaintiff with staff members with the training, background and experience to be able to provide adequate care, safety, protection and supervision in violation of OAR 413-215-0051(2).
9. Exposing Plaintiff to other adolescents with significant emotional and behavioral disorders, many of whom had significant diagnosable psychiatric disorders in violation of OAR 413-215-0606(10) and 413-215-0611.
10. Failing to have medication policies and procedures to ensure the safe management and administration of Plaintiff's medication in violation of OAR 413-215-0651.

44.

Plaintiff was injured as a result of these violations of administrative rules and statutes, and these violations were the cause in fact of Plaintiff's injuries. Plaintiff was a member of the class of persons meant to be protected by the administrative rules and the implemented statutes and the injuries Plaintiff suffered were the type of injuries the administrative rules and implemented statutes sought to prevent.

45.

All of the damages suffered by Plaintiff, as described above, were caused by Defendants' refusal or failure to follow the clear guidelines established in the Oregon Administrative Rules

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53.

Plaintiff here provides notice that at any time after the filing of this Complaint, Plaintiff intends to move for punitive damages against the Defendants pursuant to ORS 31.725.

WHEREFORE, Plaintiff prays for judgment against Defendants, and each of them, as follows:

1. If successful on the First, Second, Third, Fifth, Six or Seventh Claims for Relief, non-economic damages for Plaintiff in the amount of $1,000,000.00, the exact amount to be determined by the jury at the time of trial;
2. If successful on the First, Second, Third, Fourth, Fifth, Six or Seventh Claims for Relief, economic damages for Plaintiff in the amount of $500,000.00, the exact amount to be determined by the jury at the time of trial;
3. For Plaintiff's costs and disbursements incurred herein; and
4. For any other relief this Court deems just and equitable.

DATED this 13th day of September, 2011.

Respectfully Submitted:

HOLLANDER, LEBENBAUM & GANNICOTT

Gordon S. Gannicott, OSB #842307
Of Attorneys for Plaintiff

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Nautilus Insurance Company
c/o Berkley Select, LLC
250 S. Wacker Drive, Suite 700
Chicago, IL 60606

HEALTHCARE PROFESSIONAL LIABILITY INSURANCE POLICY

DECLARATIONS PAGE

This is a claims made and reported policy. Please read this policy and all endorsements and attachments carefully.

Policy Number: [redacted] Renewal of Number: NEW

1. **NAMED INSURED:** [redacted]

   MAILING ADDRESS:
   20400 Stevens Creek Boulevard
   Cupertino
   CA 95014

2. **POLICY PERIOD:** Effective Date: 12/13/2009 Expiration Date: 12/13/2010
   At 12:01 A.M. Standard Time at the mailing address of the named insured.

3. **LIMITS OF INSURANCE:**
   (a) Each Medical Incident: [redacted]
   (b) Aggregate: [redacted]

4. **DEDUCTIBLE**
   (a) Each Medical Incident: [redacted]
   (b) Aggregate: N/A

5. **RETROACTIVE DATE:** 12/13/2004
   If a date is indicated, this insurance will not apply to any act, error, omission or medical professional injury which occurred before such date.

6. **DESCRIPTION OF INSURED BUSINESS:** Social Service - Behavioral Health Juvenile Related

7. **PREMIUM:** $279,051.00

8. **ENDORSEMENTS:** Refer to Schedule of Endorsements SSM-0139(11/07)

Countersigned By: ______________________________ **Date:** 01/25/10
Where required by law

Producer: All Risks, Ltd. (GA)
3930 E. Jones Bridge Road
Suite 300
Norcross, GA 30092

PLAINTIFF'S EXHIBIT C

SSM-0027 (06/09)

Nautilus Insurance Company
c/o Berkley Select, LLC
250 S. Wacker Drive, Suite 700
Chicago, IL 60606

HEALTHCARE GENERAL LIABILITY
COMMON POLICY DECLARATIONS

POLICY NUMBER: GFP_1000090_P-1 **RENEWAL OF POLICY NUMBER:** New

1. **NAMED INSURED:** Aspen Education Group

MAILING ADDRESS:
20400 Stevens Creek Boulevard
Cupertino
CA 95014

BUSINESS DESCRIPTION: Social Service - Behavioral Health Juvenile Related

2. **POLICY PERIOD:** Effective date: 12/13/2009 Expiration Date: 12/13/2010
At 12:01 A.M. Standard Time at the mailing address shown above.

3. **LIMITS OF INSURANCE:**

General Aggregate Limit	$5,000,000	
Products/Completed Operations Limit	$5,000,000	
Personal & Advertising Injury Limit	$5,000,000	(Any One Person or Organization)
Each Occurrence Limit	$5,000,000	
Damage to Premises Rented To You Limit	$50,000	(Any One Premises)
Medical Expense Limit	$5,000	(Any One Person)

4. **DEDUCTIBLE:** $250,000
AGGREGATE: N/A

5. **(a) PREMIUM:** $18,308.00
(b) TRIA PREMIUM: Declined
(c) TOTAL PREMIUM: $18,308.00

6. **ENDORSEMENTS:** Refer to Schedule of Endorsements SSM-0139(11/07)

Countersigned By: ______________________________ **Date:** 01/25/10
Where required by law

Producer: All Risks, Ltd. (GA)
3930 E. Jones Bridge Road
Suite 300
Norcross, GA 30092

PLAINTIFF'S EXHIBIT D

NAUTILUS INSURANCE COMPANY

A Stock Company

HEALTHCARE PROFESSIONAL LIABILITY INSURANCE POLICY

THIS POLICY CONSISTS OF:

- Declarations; and
- One or more Coverage Parts. A Coverage Part consists of:
  - One or more Coverage Forms; and
  - Applicable Forms and Endorsements.

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

Secretary

President and CEO

Service Office:
250 South Wacker Drive #700 Chicago, IL 60606 Telephone (312) 881-1330 Fax (312) 881-1338

Administrative Office:
7233 East Blutherus Drive Scottsdale, AZ 85260 Telephone (480) 951-0905 Fax (480) 951-9730

A BERKLEY COMPANY®

SSM-0047(3/10)

PLAINTIFF'S EXHIBIT E

Nautilus Insurance Company
c/o Berkley Select, LLC
250 S. Wacker Drive, Suite 700
Chicago, IL 60606

HEALTHCARE PROFESSIONAL LIABILITY INSURANCE POLICY

DECLARATIONS PAGE

This is a claims made and reported policy. Please read this policy and all endorsements and attachments carefully.

Policy Number: PFP_1000111_P-2 Renewal of Number: PFP_1000111_P-1

1. **NAMED INSURED:** Aspen Education Group

   MAILING ADDRESS:
   20400 Stevens Creek Boulevard
   Cupertino
   CA 95014

2. **POLICY PERIOD:** Effective Date: 12/13/2010 Expiration Date: 12/13/2011
   At 12:01 A.M. Standard Time at the mailing address of the named insured.

3. **LIMITS OF INSURANCE:**
   (a) Each Medical Incident: $5,000,000
   (b) Aggregate: $5,000,000

4. **DEDUCTIBLE**
   (a) Each Medical Incident: $250,000
   (b) Aggregate: N/A

5. **RETROACTIVE DATE:** 1/1/1998
   If a date is indicated, this insurance will not apply to any act, error, omission or medical professional injury which occurred before such date.

6. **DESCRIPTION OF INSURED BUSINESS:** Social Service - Behavioral Health Juvenile Related

7. **PREMIUM:** $275,604.00

8. **ENDORSEMENTS:** Refer to Schedule of Endorsements SSM-0139(11/07)

Countersigned By: ______________________ **Date:** 01/25/11
Where required by law

Producer: All Risks, Ltd. (GA)
3930 E. Jones Bridge Road
Suite 300
Norcross, GA 30092

SCHEDULE OF ENDORSEMENTS

The provisions, stipulations and agreements contained in the following form(s) or endorsement(s) are attached to and made part of the policy:

SSM-0047(3/10) Healthcare Professional Liability Insurance Policy - Jacket (N)
SSM-0027(6/09) Healthcare Professional Liability Insurance Policy Declarations Page (N)
SSM-0139(11/07) Schedule of Endorsements
SSM-0028(4/09) Healthcare Professional Liability Insurance Policy
SSM-0108(12/07) Minimum Earned Premium Endorsement
BSL-0004(10/09) Reporting A Claim
SSM-0150(11/07) Important Notice To Policyholders
SSM-5047(11/07) Service of Suit Endorsement - California
SSM-0141(4/09) Amended Cancellation/Non-Renewal Provision
SSM-0234(4/09) Amended Definition of Damages
SSM-0164(1/08) Additional Named Insured - Specified Retro Date
SSM-0097(5/08) Additional Insured - Designated Person or Organization (Specified)
SSM-0181(2/08) Independent Contractors Coverage
SSM-0090(10/09) General Change Endorsement - Amending Who Is An Insured Language

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE, OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

HEALTHCARE PROFESSIONAL LIABILITY INSURANCE POLICY

THIS IS A CLAIMS MADE AND REPORTED POLICY. THIS POLICY IS LIMITED TO CLAIMS THAT ARE FIRST MADE AGAINST AN INSURED AND REPORTED TO THE COMPANY IN WRITING DURING THE POLICY PERIOD OR DURING THE EXTENDED REPORTING PERIOD, IF APPLICABLE. PLEASE READ THE ENTIRE FORM CAREFULLY.

Various provisions in the policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us", and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under **Section II – Who is an Insured.**

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section VIII – Definitions.**

SECTION I – COVERAGE

A. Insuring Agreement

1. We will pay amounts that the insured becomes legally required to pay as "damages" because of "medical professional injury" that results from acts or omissions in the providing of or failure to provide "health care professional services" by or for an insured.
2. This coverage applies to "medical professional injury" only if:

    a. The injury is caused by a "medical incident" that takes place in the "coverage territory";
    b. The "medical incident" did not occur before the "retroactive date" shown in the Declarations or after the end of the policy period; and
    c. A "claim" or "suit", with respect to the "medical professional injury" is first made against the insured and reported to us in writing, in accordance with **Paragraph 4** below, during the policy period or an extended reporting period we provide with accordance with **Section V – Extended Reporting Period.**

    But this coverage does not apply to any "claim" or "suit" that the insured knew about or could have reasonably foreseen or discovered before the "original inception date" of this coverage.

    If an insured is added to this policy at any date subsequent to the date this policy first became effective for any insured, we will not cover any "claim" or "suit" that results from the activities or business of this subsequently added insured if any insured knew about or could have reasonably foreseen, prior to the first date this policy applies to the subsequently added insured, that a "claim" or "suit" could result.

3. We will have the right and duty to defend the insured against any "claim" or "suit" for covered "damages". We will do so even if any of the allegations of the "claim" or "suit" are groundless, false or fraudulent. However, we will have no duty to

defend the insured against any "claim" or "suit" seeking "damages" for injury to which this insurance does not apply. We may, at our discretion, investigate any "medical incident" and settle any "claim" or "suit" that may result. But:

a. The amount we will pay for "damages" is limited as described in **Section III – Limits of Insurance**; and
b. Our right and duty to defend ends when we have used up the applicable limit of insurance in payment of judgments or settlements.

No other obligation or liability to pay sums or perform other acts or services is covered unless explicitly provided for under **Paragraph B – Additional Payments** below.

4. A "claim" or "suit" shall be considered to be first made at the earlier of the following times:

   a. When notice of such "claim" or "suit" is received by any insured.
   b. When you knew about or should reasonably have known a circumstance was likely to result in a "claim" or "suit".
   c. When a "claim" or "suit" is reported in writing directly to us or one of our agents.

   A "claim" or "suit" received by the insured and reported to us in writing within 30 days after the end of the policy period will be deemed to have been reported on the last day of the policy period.

   You must report the "claim", "suit" or "medical incident" in accordance with the terms and conditions of **Section IX.A. – Notice of Claim or Suit.**

5. All "claims" or "suits" arising out of the same "medical incident" will be deemed to have been made at the time of the first of those "claims" or "suits" made against any insured. Only the policy in effect when the first such related "claim" or "suit" is made and reported to us in writing will apply to all such related "claims" or "suits" no matter when those related "claims" or "suits" are made or reported. If the first such "claim" or "suit" is made prior to the effective date of this policy, this policy will not apply to that "claim" or "suit" nor to any related "claim" or "suit" made during this policy period or any extended reporting period we provide in accordance with **Section V – Extended Reporting Period.**

B. Additional Payments

We will pay, with respect to any "claim" we investigate or settle or any "suit" against an insured we defend:

1. All expenses we incur.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
3. All reasonable expenses incurred by the insured, at our request to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to $500 a day because of time off work.
4. All costs taxed against the insured in the "suit".
5. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

6. All interest on the full amount of the judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limit of insurance. Our duty to make these payments will end when we have used up the limits of insurance that apply with the payment of judgments or settlements.

We will have the right to appeal a judgment for "medical professional injury" in any "suit" we defend. If we appeal such a judgment, we will pay all expenses which result directly from that appeal. This includes any taxed costs and post judgment interest. These appeal expenses are in addition to the limits of insurance. The results of an appeal will not change the limits of insurance that apply under this coverage part.

SECTION II – WHO IS AN INSURED

A. If your application declares you to be:

1. An individual, you are an insured, but only with respect to the provision of "health care professional services" by or for you.
2. A partnership or joint venture, you are an insured, but only with respect to the provision of "health care professional services" by or for you. Your partners or co-venturers are also insureds, but only with respect that partner's or co-venturer's liability as such.
3. A limited liability company, you are an insured but only with respect to the provision of "health care professional services" by or for you. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
4. A corporation or other organization, you are an insured but only with respect to the provision of "health care professional services" by or for you. Your "executive officers", directors, trustees and governors are insureds, but only with respect to their duties as your officers, directors, trustees or governors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
5. A trust, you are an insured, but only with respect to the provision of "health care professional services" by or for you. Your trustees are also insureds, but only with respect to their duties as trustees.

B. Your "employees", students and "volunteer workers" are insureds, but only for acts or omissions within the course and scope of their duties for you or while performing duties related to the conduct of your business.

C. If an insured dies or is adjudged incompetent, this insurance will terminate for that insured. But the insured's legal representative will be an insured for any "medical incident" previously committed and covered by this policy.

D. Your "administrators" are insureds, but only for their duties as your administrators.

E. Persons performing services on or for your formal review boards or committees are insureds, but only while performing covered services required or requested by such boards or committees.

F. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as an insured if there is no other similar insurance available to that organization. However, coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier and provided further that coverage does not apply to "medical professional injury" that results from a medical incident that occurred before you acquired or formed the organization. The "retroactive date" of coverage for the newly formed or acquired organization will be the date of acquisition or formation unless we agree, in writing, to a different "retroactive date".

However, no intern, extern, resident, or dental, osteopathic or medical doctor is an insured for any "medical professional Injury" that results from acts or omissions in the providing of or failure to provide "health care professional services".

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

A. The limits of insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

1. Insureds;
2. "Claims" made or "suits" brought; or
3. Persons or organizations making "claims" or bringing "suits".

B. The aggregate limit is the most we will pay for the sum of all "damages" because of all "medical professional injury".

C. Subject to the aggregate limit, the each medical incident limit is the most we will pay for all "damages" because of all "medical professional injury" arising out of any one "medical incident".

1. We will consider a series of related acts or omissions in the providing of or failure to provide "health care professional services" to be one "medical incident".
2. All "claims" or "suits" arising out of the same "medical incident" will be deemed to be a single "claim" or "suit" and to have been made at the time of the first of those "claims" or "suits" was made against any insured.

   Only the policy in effect when the first such related "claim" or "suit" is made and reported to us in writing will apply to all such related "claims" or suits" no matter when those related "claims" or "suits" are made or reported.

The limits of this coverage part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding policy period for purposes of determining the limits of insurance.

If you change your limits of coverage under this insurance, the new limits do not apply to:

1. Any "claim" or "suit" that was made or brought against any insured; or
2. Any "claim" or "suit" that any insured reasonably knew about or should have reasonably known about before the effective date of the limits change.

SECTION IV – DEDUCTIBLES

A. Our obligation under this insurance to pay "damages" for any covered "medical incident" on your behalf applies only to the amount of "damages" in excess of the deductible amount stated in the Declarations Page. The deductible shown in the Declarations Page and the rules below fix the amount of "damages" over which the limits of coverage will apply regardless of the number of

   1. Insureds;
   2. "Claims" made or "suits" brought; or
   3. Persons or organizations making "claims" or bringing "suits".

   The each medical incident deductible is the amount that will be your responsibility for all "damages" arising out of any one "medical incident".

   The aggregate deductible is that amount that will be your responsibility for all "damages" that are first reported during the policy period.

   The deductible does not apply to any Additional Payments.

B. The terms of this insurance, including those with respect to:

   1. Our right and duty to defend you against any "claim" or "suit"; and
   2. Your duties in the event of a "medical incident", "claim" or suit"

   are irrespective of the application of the deductible amount.

C. We may pay any part or all of the deductible amount to effect settlement of a "claim" or "suit" and, upon notification of the action taken, you shall reimburse us within thirty (30) days of the notification for such part of the deductible amount as has been paid by us.

SECTION V – EXTENDED REPORTING PERIOD

A. You will have the right to purchase an extended reporting period, as described below, if this coverage part is cancelled or not renewed.

B. Extended Reporting Period

   1. An extended reporting period is available, but only by endorsement and for an additional charge. The extended reporting period purchased by you is indicated in the Extended Reporting Period endorsement.
   2. The extended reporting period starts with the end of the policy period. It does not extend the policy period, change the scope of coverage provided under this coverage part, or reinstate or increase the limits of insurance available under this coverage part. It applies only to "medical professional injury" caused by a "medical incident" which occurred on or after the "retroactive date" shown in the Declarations and before the end of the policy period provided a "claim" or "suit" for such "medical professional injury" is first made and reported to us in writing during the extended reporting period.
   3. You must notify us in writing of your intent to purchase the extended reporting period within thirty (30) days after the end of the policy period or the date of termination of the policy, whichever comes first.
   4. The extended reporting period will not go into effect unless the premium for this policy is paid in full and you pay the additional premium for the Extended Reporting Period Endorsement promptly when due. Once in effect, the extended reporting period may not be cancelled and the entire premium becomes fully earned.

5. If an Extended Reporting Period Endorsement is issued, its premium will be calculated using the rates and rules in effect when the extended reporting period begins.
6. The insurance provided under the Extended Reporting Period Endorsement will be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, whose policy period begins or continues after the endorsement takes effect.

SECTION VI – EXCLUSIONS

This insurance does not apply to:

A. Violation of an Antitrust Law

Any "claim" or "suit" for "damages" arising out of the violation of an antitrust law.

B. Aircraft, Auto or Watercraft

Injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft. Use includes operation and loading or unloading.
However, this exclusion does not apply to loading or unloading of patients.

C. Asbestos

1. Any liability or obligation of any insured to indemnify or contribute on behalf of any party because of any injury or damage; or
2. Any obligation to investigate, defend or settle any "claim" or "suit" against any insured that alleges any injury or damage

Arising out of, resulting from or contributed to by the manufacture, mining, use, sale, installation, removal, distribution, transportation of or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust.

D. Contractual Liability

Injury for which the insured is obligated to pay "damages" by reason of the assumption of liability in a written contract or agreement.

This exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.

E. Sexual or Physical Abuse

Any "claim" or "suit" based on or arising out of:

1. physical assault, abuse, molestation, or habitual or intentional neglect, or licentious immoral, amoral or other behavior that was committed or alleged to have been committed by the insured or by any person for whom the insured is legally responsible; and/or
2. sexual assault, abuse or molestation, or licentious, immoral, amoral or other behavior which was threatened, intended to, lead to or culminated in, any sexual act whether committed intentionally, negligently, inadvertently or with the belief, erroneous or otherwise, that the other party is consenting and has the legal and mental capacity to consent thereto, that was committed, or alleged to have been committed by the insured or by any person for whom the insured is legally responsible.

This exclusion applies regardless of the legal theory or basis upon which the insured is alleged to be legally liable or responsible in whole or in part, for any "damages" arising out of sexual and/or physical abuse, including but not limited to assertions of improper or negligent hiring, employment or supervision, failure to protect or warn the other party, failure to prevent the sexual abuse and/or physical abuse, failure to prevent assault and battery, or failure to discharge the employee.

F. Dishonest, Fraudulent, Malicious, Uninsurable Acts.

Any "claim" or "suit" arising out of any dishonest, fraudulent, criminal or malicious act, including reckless violation of any statute, or any act deemed uninsurable by law, committed by any insured.

G. Directors and Officers

Any "claim" or "suit" for "damages" arising from any "wrongful act" of any of your directors or officers in the discharge or performance of their duties as such. Or, any "claim" or "suit" for "damages" against any corporation brought by any director or officer for indemnification or to be reimbursed for any "damages" to which any director or officer is or was a party which is based on a wrongful act.

This exclusion does not apply to "medical professional injury".

H. Employers Liability

Bodily injury to:

1. An "employee" of the insured arising out of and in the course of:
   (a) Employment by the insured; or
   (b) Performing duties related to he conduct of the insured's business; or
2. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph 1. above.

This exclusion applies:

a. Whether the insured may be liable as an employer or in any other capacity; and
b. To any obligations to share "damages" with or repay someone else who must pay "damages" because of the injury.

I. Employment-Related Practices

1. Any "claim" or "suit" resulting from:
   a. Refusal of employment;
   b. Termination of Employment; or
   c. Employment-related practices, policies, acts or omissions including coercion, demotion, evaluation, reassignment, discipline, false imprisonment, invasion of rights to privacy, infliction of emotional distress, defamation, harassment, humiliation or discrimination.
2. Any "claim" or "suit" from the spouse, child, parent, brother or sister as a consequence of injury or damage to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

J. ERISA

Any "claim" or "suit" for any violation or alleged violation of the Employee Retirement Income Security Act of 1974 or any amendment or addition to this act or similar provisions of any federal, state or local law.

K. Non-Monetary "damages"

Any "claim" or "suit" for non-monetary "damages".

L. Nuclear Energy Liability

1. Any "claim" or "suit" for which any insured is also protected under a nuclear energy liability insurance policy or would have been protected under such a policy if that policy's limits of coverage had not been used up.
2. Any "claim" or "suit" that results from the "hazardous property" of "nuclear material" and for which:
   a. any insured is required by law to maintain financial protection in accordance with the Federal Atomic Energy Act, or any of its amendments; or
   b. any insured is entitled, or would have been entitled had this insurance not been issued, to indemnity from the United States government, or any of its agencies, under any contract or agreement between the government, or any of its agencies, and any insured.
3. Any "claim" or "suit" that results from the "hazardous properties" of "Nuclear Material" when:
   a, the "nuclear material" is located at, or at any time discharges or disperses from, a "nuclear facility" which is or was at any time owned by any insured, or operated by or for any insured;
   b. the "nuclear material" is contained in "spent nuclear fuel" or "nuclear waste" that is or was at any time possessed, handled, used, processed, stored, transported, or disposed of by or for any insured; or
   c. the "claim" or "suit" results from the furnishing by any insured of services, materials, parts or equipment in connection with the planning, maintenance, operation, or use of any "nuclear facility".

M. Other Coverage Parts

Any "claim" or "suit" which is covered under any other coverage part attached to this policy, unless otherwise stated.

O. Pollution

1. Any "claim" or "suit" resulting from the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
2. Any "claim", "suit", cost or expense resulting from:
   a. Any request, demand or order that any insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants; or
   b. Any "claim" or "suit" by or on behalf of a governmental authority for "damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

P. Workers Compensation and Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

Q. War or Terrorism

Any injury or damage or medical expense that results either directly or indirectly out of:

1. War, including undeclared or civil war; or
2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
3. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these; or
4. "Terrorism", including any action taken in hindering or defending against an actual or expected incident of "terrorism"

regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

However, with respect to "terrorism", this exclusion only applies if one or more of the following are attributable to an incident of "terrorism":

a. The total of insured damage to all types of property exceeds $25,000,000. In determining whether the $25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

b. Fifty or more persons sustained death or serious physical injury. For the purposes of this provision, serious physical injury means:

   1) Physical injury that involves a substantial risk of death; or

   2) Protracted and obvious physical disfigurement; or

   3) Protracted loss of or impairment of the function of a bodily member or organ; or

c. The "terrorism" involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

d. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

e. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

Paragraphs a. and b., immediately preceding, describe the thresholds used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether the Terrorism Exclusion will apply to that incident. When the Terrorism Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Part.

In the event of any incident of "terrorism" that is not subject to the Terrorism Exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.

Multiple incidents of "terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

SECTION VII – OTHER INSURANCE

This insurance is excess of any other valid and collectible insurance available to you whether that insurance is stated to be primary, pro-rata, contributory, excess, contingent or otherwise, unless that insurance specifically applies as excess insurance over this coverage part.

SECTION VIII – DEFINITIONS

A. "Administrators" means any administrator, superintendent or chief executive officer, chief operating officer, chief financial officer, medical director, department head or staff member that performs administrative services for you.

B. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

C. "Bodily Injury" means any physical harm, including sickness, disease or death, to the physical health of other persons. It includes mental anguish, injury or illness, emotional distress, that results from such physical harm, sickness or disease.

D. "Claim" means a demand which seeks "damages" or any circumstance which is likely to result in a demand for "damages".
However, we will not consider a patient incident report, variance report, or any other report, made for loss prevention purposes, to be a claim, even if you send it to us or one of our agents.

E. "Coverage Territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada; and all parts of the world if the insured's responsibility to pay "damages" is determined in a "claim" or "suit" that is brought in the aforementioned territory, or in a settlement that we agree to. However, the coverage territory does not include any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.

F. "Damages" means compensatory judgments, settlements or awards but does not include punitive or exemplary Damages, fines, or penalties, the return of fees or other consideration paid to the insured, or the portion of any award or judgment caused by the multiplication of actual Damages under federal or state law. However, if a Suit is brought against the insured with respect to a claim for alleged acts or omissions falling within the scope of coverage afforded by this insurance seeking both compensatory and punitive or exemplary Damages, then the Company will afford a defense to such action, without liability however, for payment of such punitive or exemplary Damages.

G. "Employee" includes a "leased worker". "Employee does not include "temporary worker".

H. "Executive Officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

I. "Hazardous properties" include radioactive, toxic or explosive properties.

J. "Health Care Professional Services" means:

a. Medical, surgical, dental, x-ray, nursing, mental or other similar health care professional services or treatments.

b. Providing or dispensing of food, beverages, medications or medical supplies or appliances in connection with services described in paragraph J.a. above.
c. Handling or treatment of dead bodies, including autopsies, organ donation or harvesting, or other procedures.
d. The work of your formal accreditation, standards review or equivalent professional board or committee, done for any insured while:
   i. Evaluating the professional qualifications or clinical performance of any provider of health care professional services; or
   ii. Promoting and maintaining the quality of health care professional services being provided.
e. The execution, or failure to execute a decision or directive of your formal accreditation, standards review or equivalent professional board or committee.

K. "Leased Worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased Worker" does not include a "temporary worker".

L. "Medical Incident" means any act or omission in the providing of or failure to provide "health care professional services" to your patients that results in "medical professional injury". We will consider a series of related acts or omissions in the providing of or failure to provide "health care professional services" to be one "medical incident".

M. "Medical professional injury" means injury, including death, to others that results from acts or omissions in the providing of or failure to provide "health care professional services" by or for an insured.

N. "Mobile Equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
b. Vehicles maintained for use solely on or next to premises you own or rent;
c. Vehicles that travel on crawler treads;
d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted power cranes, shovels, loaders, diggers or drills; or road construction or resurfacing equipment such as graders, scrapers or rollers.

Vehicles not described in Paragraphs 1, 2, 3, or 4 above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
   i. Air compressors, pumps and generators, including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment; or
   ii. Cherry pickers and similar devices used to raise and lower workers;

e. Vehicles not described in Paragraphs 1, 2, 3 or 4 above maintained primarily for purposes other than the transportation of persons or cargo.

However, self –propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
   i. Equipment designed primarily for snow removal; road maintenance, but not construction or resurfacing; or street cleaning.
   ii. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

iii. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

O. "Nuclear Facility" means any "nuclear reactor", "uranium isotopes separation device or equipment", "special nuclear material device or equipment", or "nuclear waste site". "Nuclear facility" includes the site on which it is located, all operations conducted on such site, and all premises used for such operations.

P. "Nuclear Reactor" means any device, equipment, or machine designed or used to:
   a. sustain nuclear fission in a self-supporting chain reaction;
   b. contain a critical mass of fissionable material.

Q. "Nuclear Material" means any of the following materials which are defined in the federal Atomic Energy Act, or any of its amendments:
   a. Source material;
   b. Special nuclear material; or
   c. By-product material.

R. "Nuclear Waste Site" means any structure, basin, excavation, premises or place prepared or used for the storage or disposal of nuclear waste.

S. "Nuclear waste" means any waste material that contains by-product material and results from the operation of any "nuclear reactor", or "uranium isotopes separation device or equipment" by any insured. "Nuclear waste" does not include tailings or wastes that result from the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content.

T. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

U. "Original Inception Date" means the beginning date of the earliest insurance from which we have continuously provided protection for this coverage part.

V. "Pollutants" mean any solid, liquid, gaseous, or thermal irritant or contaminant, Including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

W. "Retroactive Date" means the date shown in the Declarations Page on or after which any "medical incident" must have occurred in order for coverage under this insurance to apply. If no "retroactive date" is shown, the "retroactive date" is the same date as the inception date of this coverage page.

X. "Special nuclear material device or equipment" means any device or equipment used for the processing, fabricating, or alloying of special nuclear material if the total amount of such material is at any time in the custody of any insured at the premises where the device or equipment is located and is more than 25 grams of plutonium or uranium 233, or any combination of those two materials; or is more than 250 grams of Uranium 235.

Y. "Spent nuclear fuel" means any solid or liquid fuel element or component that has been exposed to radiation or used in a "nuclear reactor".

Z. "Suit" means a civil proceeding in which "damages" because of "medical professional injury" to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which such "damages" are claimed and to which the insured must submit or does submit with our consent; and
2. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent.

AA. "Temporary Worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

BB. "Terrorism" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:

   a. Use or threat of force or violence; or

   b. Commission or threat of a dangerous act; or

   c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

2. When one or both of the following applies:

   a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

   b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

CC. "Uranium isotopes separation device or equipment" means any device or equipment designed or used for separating the isotopes of uranium or plutonium; processing or utilizing spent nuclear fuel; or handling, processing or packaging nuclear waste.

DD. "Volunteer Worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

EE. "Wrongful Act" means any actual or alleged error, misstatement, misleading statement, act or omission, neglect or breach of duty while acting in your capacity as a director or officer.

SECTION IX – CLAIMS

A. **Notice of Claim or Suit:** As a condition precedent to the right to the protection afforded by this insurance, the insured shall, as soon as practicable, give the Company written notice of any "claim", "suit" or "medical incident" made against the insured.

In the event suit is brought against the insured, the insured shall IMMEDIATELY forward to the Company every demand, notice, summons or other process received by him or by his representatives.

B. **Assistance and Cooperation of the Insured:** The insured shall cooperate with the Company and upon the Company's request shall submit to examination and interrogation by a representative of the Company, under oath if required, and shall attend hearings, depositions and trials and shall assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits, as well as in the giving of a written statement or statements to the Company's representatives and meeting with such representatives for the purpose of investigation and/or defense, all without charge to the Company. The insured shall further cooperate with the Company and do whatever is necessary to secure and effect any right of indemnity, contribution or apportionment which the insured may have. The insured shall not, except at his own cost, make any payment, admit any liability, settle any Claims, assume any obligation or incur any expense without the written consent of the Company.

C. **Subrogation:** In the event of any payment under this policy, the Company shall be subrogated to all the insured's rights of recovery therefore against any person or organization, and the isured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing to prejudice such rights.

The Company shall not exercise any such rights against any person, firms or corporations included in the definition of "insured". Notwithstanding the foregoing, however, the Company reserves the right to exercise any rights of subrogation against an insured in respect of any Claim brought about or contributed to by the intentional, dishonest, fraudulent, criminal or malicious act or omission of such insured.

Any amount recovered shall first be used for the repayment of expenses incurred toward subrogation; second, to any loss and expense payment by the insured in excess of any deductible(s); third, to any loss and expense payments by any excess carrier on behalf of the insured; fourth, to any loss and expense payments by any primary carrier on behalf of the insured; and, last, to repayment of the insured's deductible.

D. **Action Against the Company:** No action shall lie against the Company unless, as a condition precedent thereto, the insured shall have fully complied with all the terms of this policy, nor until the amount of the insured's obligation to pay shall have been fully and finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the Company.

Nothing contained in this policy shall give any person or organization any right to join the Company as a co-defendant in any action against the insured to determine the insured's liability. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the Company of any of its obligations hereunder.

E. **False or Fraudulent Claims:** If any insured shall commit fraud in proffering any Claim, this insurance shall become void as to such insured from the date such fraudulent claim is proffered.

SECTION X - OTHER CONDITIONS

A. **Application:** By acceptance of this policy, the insured agrees that the statements in the applications are his representations, that they shall be deemed material, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company, or any of its agents, relating to this insurance.

B. **Prevention of Loss:** In the event of an "Occurrence" involving the operations/hazards covered by this Policy, the insured shall promptly, at this expense, take all reasonable steps to prevent other Personal Injury or Property Damage from arising out of the same or similar conditions.

C. **Other Insurance:** This insurance shall be in excess of the amount of the applicable deductible of this policy and any other valid and collectible insurance available to the insured, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the limits of liability provided in this policy.

D. **Changes:** Notice to any agent of knowledge possessed by any agent or other person acting on behalf of the Company shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of the policy, nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

E. **Assignment:** Assignment of interest under this policy shall not bind the Company unless its consent is endorsed hereon.

F. **Cancellation:** This policy may be cancelled by the Named Insured on behalf of all insureds by surrender thereof to the Company or by mailing to the aforementioned written notice stating when thereafter such cancellation shall become effective. If cancelled by the Named Insured, the Company shall retain the customary short rate proportion of the premium

This policy may be cancelled by the Company by mailing to the Named Insured, at the address stated in the Declarations, written notice stating when, not less than thirty (30) days thereafter, such cancellation shall be effective. However, if the Company cancels the policy because the Named Insured has failed to pay a premium or deductible when due, this policy may be cancelled by the Company by mailing a written notice of cancellation to the Named Insured stating when, not less than ten (10) days thereafter, such cancellation shall be effective. The mailing of notice as aforementioned shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the Policy Period. Such notice shall be conclusive on all insureds. Delivery of such written notice by the Named Insured or the Company shall be equivalent to mailing. If cancelled by the Company, earned premium shall be computed pro rata.

G. **Premium and Audit:** Upon expiration of this policy, at the Company's request, the Named Insured shall furnish to the Company a statement of the insured's actual total Sales or other premium base for the policy period. The actual earned premium shall be computed thereon at the premium rate in effect at policy inception. If the actual earned premium is more than the premium shown on the Declarations, the insured may be required to pay the difference to the Company. The Company, or its authorized representatives shall have the right to require of the insured, at any time within the said Policy Period, or one year thereafter, a sworn statement of the entire amount of the premium base during the whole or specific part of the said period, and the Named Insured shall furnish said statement within ten (10) days after request. The statement referred to shall be subject to verification and audit by a duly authorized representative of the Company, who shall have the right and opportunity to examine the books and records of the insured as respects such basis of premium, and such examination may be made at any time during the said period and within three (3) years thereafter. The rendering of any estimate or statement or the making of any previous settlement shall not bar the examination herein provided for, nor the Company's right to additional premium.

H. **Inspection:** Any of the Company's authorized representatives shall have the right and opportunity, whenever the Company so desires, to inspect at any reasonable time the insured's premises and operations, but the Company assumes no responsibility or duty by reason of such inspection or the omission thereof. The insured agrees to provide appropriate personnel to assist the Company's representatives during such inspection without cost to the Company.

I. **Authorization:** By acceptance of this policy, the first person or Entity named in Item 1 of the Declarations agrees to act as Named Insured with respect to the giving and receiving of all notice as provided herein; the exercising of the Optional Extended Reporting Period, the cancellation of this policy, the payment of premiums and deductibles, the receiving of any return premiums that may become due; and the insureds agree that such person or entity shall act on their behalf.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM ENDORSEMENT

If this insurance is cancelled at your request, there will be a minimum earned premium retained by us of 25% of the premium for this insurance.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

REPORTING A CLAIM

Berkley Select, LLC is committed to providing our clients with effective claim service.

In the event of an incident which may result in a claim, an actual claim, or your receipt of suit papers, please follow the procedures outlined below.

NOTICE OF EACH INCIDENT, CLAIM OR SUIT SHOULD IMMEDIATELY BE REPORTED TO:

Berkley Select, LLC
Professional Liability Claims Department
250 South Wacker Drive, Suite 700
Chicago, IL 60606
Phone Number: 312-881-1336

To enable us to respond more quickly and efficiently, whenever possible, please fax or email a completed claims notice form and any pertinent details of the claim directly to the Claim Department at:

Fax.# 1-866-461-3193 Attn: Professional Liability Claims
Email address: medclaims@berkleyselect.com

PLEASE BE SURE TO INCLUDE:

- **Your Name, Address and Phone Number;**
- **Your Policy Number and the Policy Period;**
- **Any information about the claim you feel is important that was not included in the claim report form;**
- **If you are submitting the report by mail or fax, please also include any letters of demand or any legal papers which you have received regarding the claim.**

IMPORTANT NOTICE TO POLICYHOLDERS

- The insurance policy you have purchased is being issued by an insurer that is not licensed by your state. These companies are called "Non-Admitted" or "Surplus Lines" Insurance Companies.
- The Insurance Company is not subject to the financial solvency regulation and enforcement which applies to licensed insurers.
- The Insurance Company does not participate in any of the Insurance Guaranty Funds that may exist in your state. Therefore, these Funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.
- Your State Insurance Department maintains a list of eligible Surplus Lines Insurance Companies approved by the Insurance Commissioner. Ask your agent or broker if the insurer is on that list.
- For additional information about the insurer, you should ask questions of your insurance agent, broker for "Surplus Lines" broker or contact your state Insurance Department.
- If you, as the applicant, required that the insurance policy you have purchased be bound immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage during that five-day period, the premium will be prorated and any broker fee charged for this insurance will be returned to you.

SERVICE OF SUIT ENDORSEMENT - CALIFORNIA

Pursuant to any statute of any state, territory or district of the United States which makes provision therefore, we hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the Statute, or his successor or successors in office, as our true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of you or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the below named as the person to whom the said officer is authorized to mail process or a true copy thereof.

The Company may be sued upon any cause of action arising in the State of California upon any policy issued by it, or any evidence of insurance issued or delivered by a surplus lines broker, pursuant to the procedures of Sections 1610 to 1620 of the Insurance Code.

It is further agreed that service of process in such suit may be made upon CT Corporation System 818 West Seventh St. Los Angeles, CA 90017 and that in any suit instituted against any one of them upon this policy, we will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

It is agreed that in any state requiring a standard form of policy, insurance hereunder on values or properties in such state shall attach and cover in accordance with the terms and conditions of such standard form.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED CANCELLATION/NON-RENEWAL PROVISION

This endorsement modifies insurance provided under the following:

HEALTHCARE PROFESSIONAL LIABILITY INSURANCE POLICY

In consideration of the premium paid, it is agreed that **Section X – OTHER CONDITIONS, Item F. Cancellation** is deleted in its entirety and replaced with the following:

F. 1. Cancellation: This policy may be cancelled by the Named Insured on behalf of all Insureds by surrender thereof to the Company or by mailing to the aforementioned written notice stating when thereafter such cancellation shall become effective. If cancelled by the Named Insured, the Company shall retain the customary short rate proportion of the premium.

This policy may be cancelled by the Company, by mailing to the Named Insured, at the address stated in the Declarations, written notice stating when, not less than 90 days thereafter, such cancellation shall be effective. However, if the Company cancels the policy because the Named Insured has failed to pay a premium or deductible when due, this policy may be cancelled by the Company by mailing a written notice of cancellation to the Named Insured stating when, not less than ten (10) days thereafter, such cancellation shall be effective. The mailing of notice as aforementioned shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the Policy Period. Such notice shall be conclusive upon all Insureds. Delivery of such written notice by the Named Insured or the Company shall be equivalent to mailing. If cancelled by the Company, earned premium shall be computed pro rata.

2. Non-renewal: The Company may non-renew this policy by mailing or delivering to the Insured at the address stated in the Declarations written notice of non-renewal at least 90 days before the expiration date of this policy. The offer of renewal policy terms, conditions or a premium amount different than those in effect prior to renewal does not constitute non-renewal.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED DEFINITION OF DAMAGES

This endorsement modifies insurance provided under the following:

HEALTHCARE PROFESSIONAL LIABILITY INSURANCE POLICY

In consideration of the premium charged, it is agreed that **SECTION VIII – DEFINITIONS, Paragraph F.** "Damages", is deleted in its entirety and is replaced with the following:

F. "Damages" means compensatory judgments, settlements or awards, including punitive or exemplary Damages where allowable by statute, but does not include fines or penalties, the return of fees or other consideration paid to the insured.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL NAMED INSURED – SPECIFIED RETRO DATE

This endorsement modifies insurance provided under the following:

HEALTHCARE PROFESSIONAL LIABILITY INSURANCE POLICY

Section II – Who is An Insured is amended to include the individual(s) or entity(ies) named below, but only with respect to the provision of "health care professional services" by or for you.

This coverage applies to claims for "medical professional injury" provided that the "medical incident" resulting in a claim for "damages" did not occur prior to the "retroactive date" shown below:

NAME OF INSURED:	RETROACTIVE DATE:
Corporate	
CRC Health Group, Inc. (But only with respects to the operations of the Named Insured).	01/01/98
Aspen Institute for Behavioral Assessment, LLC	01/01/98
Aspen Solutions inc.	01/01/98
Aspen Youth, Inc.	01/01/98
AYS Management Inc.	01/01/98
Academy of the Sierras, LLC	01/01/98
Academy of the Sierras, LLC dba Wellspring Academy California	01/01/98
Academy of the Sierras, LLC dba Wellspring Academy of the Sierras North Carolina (In NC)	01/01/98
Adirondack Leadership Expeditions, LLC	01/01/98
AHS of Idaho, Inc. dba SUWS Adolescent Program; SUWS Youth Program	01/01/98
Aspen Achievement Academy, LLC	01/01/98
Aspen Ranch, LLC	01/01/98
Bromley Brook School, LLC	01/01/98
Camp Huntington Inc.	01/01/98
Camp Wellspring, LLC dba Wellspring Family Camp, LLC (in MI)	01/01/98
Camp Wellspring, LLC dba Wellspring Hawaii (closed)	01/01/98
Camp Wellspring, LLC dba Wellspring New York	01/01/98
Camp Wellspring, LLC dba Wellspring Texas	01/01/98
Camp Wellspring, LLC dba Wellspring Wisconsin	01/01/98
Camp Wellspring, LLC dba Wellspring Pennsylvania	01/01/98
Camp Wellspring, LLC dba Wellspring Florida	01/01/98
Copper Canyon Academy, LLC	01/01/98
Four Circles Recovery Center, LLC	01/01/98
Healthy Living Academies, LLC dba Wellspring Camps (CA)	01/01/98
Healthy Living Academies, LLC dba Wellspring Retreats (CA and NC)	01/01/98

NAME OF INSURED:	RETROACTIVE DATE:
Island View Residential Treatment Center, LLC	01/01/98
Mount Bachelor Educational Center, Inc. aka Mount Bachelor Academy	01/01/98
Talisman Academy, LLC formerly New Leaf Academy of North Carolina, LLC aka NC Real Estate,LLC (closed)	01/01/98
New Leaf Academy OR	01/01/98
Northstar Center, LLC	01/01/98
Oakley School, LLC	01/01/98
Passages to Recovery, LLC	01/01/98
Phoenix Outdoor LLC	01/01/98
SunHawk Academy of Utah, Inc.	01/01/98
SUWS of the Carolinas dba SUWS Seasons (NC)	01/01/98
Swift River Academy, LLC	01/01/98
Stone Mountain School, Inc.	01/01/98
Talisman Summer Camp, LLC	01/01/98
Turn-About Ranch, Inc.	01/01/98
Walkabout Expeditions, LLC dba Outback Therapeutic Expeditions, LLC	01/01/98
Wellspring Adventure Camp, LLC dba Wellspring Adventure Camp LLC in California	01/01/98
Wellspring Adventure Camp, LLC dba Wellspring Adventure Camp California and North Carolina	01/01/98
Wellspring Community Programs LLC	01/01/98
Wellspring Australia	01/01/98
Wellspring UK Ltd	01/01/98
Wilderness Therapy Programs, Inc. dba Sage Walk, The Wilderness School (closed)	01/01/98
Youth Care of Utah, Inc. dba Pine Ridge Academy	01/01/98
Youth Care of Utah, Inc. dba Youth Care (UT)	01/01/98
Discontinued Operations	
Lone Star Expeditions, Inc.	(Closed 4/6/2009)
Texas Excel Academy, Inc.	(Closed 4/6/2009)
The Cedars Academy, LLC	(Closed 8/24/09)
Discontinued Entities	
Almansor Receivables, LLC	(Dissolved 12/31/04)
Aspen Health Services Corporation	(Withrdrawn)
Alpine Adolescent Services, LLC	(Dissolved 4/12/01)
Aspen MSO, LLC	(Sold 7/21/04)
Choices Group, Inc.	(Sold 7/21/04)
Choices Unlimited - Las Vegas	(Dissolved)
Choices Unlimited - Reno	(Dissolved)
Choices Unlimited, Inc.	(Dissolved)
College Community Services	(Sold 7/21/04)
College Park School	(Sold 6/30/05)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INDEPENDENT CONTRACTOR COVERAGE

This endorsement modifies insurance provided under your Professional Liability policy.

In consideration of the premium charged, **Section II, WHO IS AN INSURED; Subsection B**, is deleted in its entirety and replaced by the following:

B. Your "employees", students, independent contractors and "volunteer workers" are insureds, but only for acts or omissions within the course and scope of their duties for you or while performing duties related to the conduct of your business.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL CHANGE ENDORSEMENT
AMENDING WHO IS AN INSURED LANGUAGE

This endorsement modifies insurance provided under the following:

HEALTHCARE PROFESSIONAL LIABILITY INSURANCE POLICY

In consideration of the premium charged, it is agreed that **SECTION II – WHO IS AN INSURED** is deleted in its entirety and replaced with the following:

SECTION II – WHO IS AN INSURED

A. If your application declares you to be:

1. An individual, you are an insured, but only with respect to the provision of "health care professional services" by or for you.
2. A partnership or joint venture, you are an insured, but only with respect to the provision of "health care professional services" by or for you. Your partners or co-venturers are also insureds, but only with respect that partner's or co-venturer's liability as such.
3. A limited liability company, you are an insured but only with respect to the provision of "health care professional services" by or for you. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
4. A corporation or other organization, you are an insured but only with respect to the provision of "health care professional services" by or for you. Your "executive officers", directors, trustees and governors are insureds, but only with respect to their duties as your officers, directors, trustees or governors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
5. A trust, you are an insured, but only with respect to the provision of "health care professional services" by or for you. Your trustees are also insureds, but only with respect to their duties as trustees.

√ **B.** Your "employees", students and "volunteer workers", including faculty members, teaching assistants and student teachers, are insureds, but only for acts or omissions within the course and scope of their duties for you or while performing duties related to the conduct of your business.

C. If an insured dies or is adjudged incompetent, this insurance will terminate for that insured. But the insured's legal representative will be an insured for any "medical incident" previously committed and covered by this policy.

D. Your "administrators", including trustees, members of your Board of Governors are insureds, but only for their duties as your administrators.

E. Persons performing services on or for your formal review boards or committees are insureds, but only while performing covered services required or requested by such boards or committees.

F. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as an insured if there is no other similar insurance available to that organization. However, coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier and provided further that coverage does not apply to "medical professional injury" that results from a medical incident that occurred before you acquired or formed the organization. The "retroactive date" of coverage for the newly formed or acquired organization will be the date of acquisition or formation unless we agree, in writing, to a different "retroactive date".

G. Any employed intern, extern, resident, or dental, osteopathic or medical doctor is an insured for any "medical professional injury" that results from acts or omissions in the providing of or failure to provide "health care professional services", but only for acts or omissions within the course and scope of duties for you or while performing duties related to the conduct of your business.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

NAUTILUS INSURANCE COMPANY

A Stock Company

HEALTHCARE GENERAL LIABILITY INSURANCE POLICY

THIS POLICY CONSISTS OF:

- Declarations; and
- One or more Coverage Parts. A Coverage Part consists of:
  - One or more Coverage Forms; and
  - Applicable Forms and Endorsements.

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

Secretary

President and CEO

Service Office:
250 South Wacker Drive #700 Chicago, IL 60606 Telephone (312) 881-1330 Fax (312) 881-1338

Administrative Office:
7233 East Blutherus Drive Scottsdale, AZ 85260 Telephone (480) 951-0905 Fax (480) 951-9730

A BERKLEY COMPANY®

SSM-0053(3/10)

PLAINTIFF'S EXHIBIT F

Nautilus Insurance Company
c/o Berkley Select, LLC
250 S. Wacker Drive, Suite 700
Chicago, IL 60606

HEALTHCARE GENERAL LIABILITY
COMMON POLICY DECLARATIONS

POLICY NUMBER: GFP_1000090_P-2 **RENEWAL OF POLICY NUMBER:** GFP_1000090_P-1

1. **NAMED INSURED:** Aspen Education Group

MAILING ADDRESS:
20400 Stevens Creek Boulevard
Cupertino
CA 95014

BUSINESS DESCRIPTION: Social Service - Behavioral Health Juvenile Related

2. **POLICY PERIOD:** Effective date: 12/13/2010 Expiration Date: 12/13/2011
At 12:01 A.M. Standard Time at the mailing address shown above.

3. **LIMITS OF INSURANCE:**

General Aggregate Limit	$5,000,000	
Products/Completed Operations Limit	$5,000,000	
Personal & Advertising Injury Limit	$5,000,000	(Any One Person or Organization)
Each Occurrence Limit	$5,000,000	
Damage to Premises Rented To You Limit	$50,000	(Any One Premises)
Medical Expense Limit	$5,000	(Any One Person)

4. **DEDUCTIBLE:** $250,000
AGGREGATE: N/A

5. **(a) PREMIUM:** $18,742.00
(b) TRIA PREMIUM: Declined
(c) TOTAL PREMIUM: $18,742.00

6.EN **DORSEMENTS:** Refer to Schedule of Endorsements SSM-0139(11/07)

Countersigned By: ______________________ **Date:** 01/25/11
Where required by law

Producer: All Risks, Ltd. (GA)
3930 E. Jones Bridge Road
Suite 300
Norcross, GA 30092

SCHEDULE OF ENDORSEMENTS

The provisions, stipulations, and agreements contained in the following form(s) or endorsement(s) are attached to and made part of the policy:

SSM-0053(3/10) Healthcare General Liability Insurance Policy - Jacket
SSM-0093(6/09) Healthcare General Liability Common Policy Declarations (Occ)
SSM-0139(11/07) Schedule of Endorsements
SSM-0032(6/09) Healthcare General Liability Coverage Form (Occ)
SSM-0108(12/07) Minimum Earned Premium Endorsement
BSL-0004(10/09) Reporting A Claim
SSM-0150(11/07) Important Notice To Policyholders
SSM-5047(11/07) Service of Suit Endorsement - California
SSM-0062(7/07) Employee Benefits Liability Coverage
SSM-0226(9/08) Additional Insured - Managers or Lessors of Premises (Automatic)
SSM-0147(11/07) Schedule of Named Insureds
SSM-0154(4/09) Amended Cancellation/Non-Renewal Provision
SSM-0060(7/07) Additional Insured - Designated Person Or Organization (Specified)
SSM-0182(2/08) Independent Contractor Coverage
SSM-0169(1/08) Exclusion of Acts of Terrorism
SSM-0090(08/07) General Change Endorsement - Amending Aircraft, Auto or Watercraft Exclusion
SSM-0090(08/07) General Change Endorsement - Amending Who Is An Insured Language

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE, OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

HEALTHCARE GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under **Section II – Who Is An Insured.**

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section V –Definitions.**

SECTION I – COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C.**

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B.**

b. This insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under **Paragraph 1. Section II – Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under **Paragraph 1. Section II – Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under **Paragraph 1. Section II – Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. **Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 26 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or

(b) the operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. **Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

(1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs **(1)**, **(3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **Section III – Limits Of Insurance**.

Paragraph **(2)** of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs **(3)**, **(4)**, **(5)** and **(6)** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph **(6)** of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Asbestos

(1) Any liability or obligation of any insured to indemnify or contribute on behalf of any party because of any injury or damage; or

(2) Any obligation to investigate, defend or settle any claim or "suit" against any insured that alleges any injury or damage

Arising out of, resulting from or contributed to by the manufacture, mining, use, sale, installation, removal, distribution, transportation of or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust.

r. Criminal Acts

"Bodily Injury" or "property damage" arising out of a criminal act, including but not limited to sexual abuse or molestation or fraud, committed by or at the direction of the insured.

s. Directors and Officers

Any "claim" or "suit" for damages arising from any "wrongful act" of any of your directors or officers in the discharge of their performance of their duties as such. Or, any "claim" or "suit" for damages against any corporation brought by any director or officer for indemnification or to be reimbursed for, any damages to which any director or officer is or was a party to which is based on a "wrongful act".

t. E.R.I.S.A.

Any obligation of the insured under the Employee Retirement Income Security Act of 1974 (E.R.I.S.A.) or any amendment or addition to this act or similar provisions of any federal, state or local law.

u. Employment-Related Practices

"Bodily Injury" to:

a. A person arising out of any:

i. Refusal of employment;

ii. Termination of employment; or

iii. Employment related practices, policies, acts or omissions, including coercion, demotion, evaluation, reassignment, discipline, false imprisonment, invasion of rights of privacy, infliction of emotional distress, defamation, harassment, humiliation or discrimination directed at that person; or

b. The spouse, child, parent, brother or sister of that person as a consequence of such "bodily injury".

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

v. Fungus, Mold or Other Contaminant

Any "bodily injury" or "property damage" cost or expense arising out of or in any way connected, directly or indirectly, in whole or in part, to "fungus, mold or other contaminant".

This exclusion applies regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to the incident, event, error or omission that gives rise to the injury or damage.

w. Healthcare Professional Services

"Bodily Injury" or "property damage" that result from the performance of or failure to perform "healthcare professional services".

x. Intellectual Property

"Bodily injury" or "property damage" that results from any actual or alleged infringement or violation of any rights or laws to copyright, patent, trade dress, trade name, trade secret, trademark, or other intellectual property rights or laws.

However, we will not apply this exclusion to "bodily injury" or "property damage" that results from your "products-completed operations hazard".

y. Non-Monetary Damages

Any "claim" or "suit" for non-monetary damages.

z. Nuclear Energy Liability

(1) "Bodily Injury" or "property damage" for which any insured is also protected under a "nuclear energy liability insurance policy" or would have been protected under such a policy if that policy's limits of coverage had not been used up.

(2) "Bodily injury" or "property damage" that results from the "hazardous property" of "nuclear material" and for which"

(a) any insured is required by law to maintain financial protection in accordance with the federal Atomic Energy Act, or any of its amendments; or

(b) any insured is entitled, or would have been entitled had this insurance not been issued, to indemnity from the United States government, or any of its agencies, under any contract or agreement between the government or any of its agencies and any insured.

(3) "Bodily injury" or "property damage" that results from the "hazardous properties" of "nuclear material" when:

(a) the "nuclear material" is located at or at any time discharges or disperses from a "nuclear facility" which is or was at any time owned by any insured, or operated by or for any insured;

(b) the "nuclear material" is contained in "spent nuclear fuel" or "nuclear waste" that is or was at any time possessed, handled, used, processed, stored, transported, or disposed of by or for any insured; or

(c) the "bodily injury" or "property damage" results from the furnishing by any insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation, or use of any "nuclear facility".

aa. Other Coverage Parts

"Bodily injury" or "property damage" which is covered under any other coverage part attached to this policy, unless otherwise stated.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **Section III – Limits Of Insurance**.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in **Section III – Limits Of Insurance**; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under **Coverages A** or **B** or medical expenses under **Coverage C.**

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments – Coverages A** and **B.**

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

(1) Advertising, broadcasting, publishing or telecasting;

(2) Designing or determining content of web-sites for others; or

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14. a., b.** and **c.** of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

COVERAGE C MEDICAL PAYMENTS

1. **Insuring Agreement**

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(1) The accident takes place in the "coverage territory" and during the policy period;

(2) The expenses are incurred and reported to us within one year of the date of the accident; and

(3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

2. **Exclusions**

We will not pay expenses for "bodily injury":

a. **Any Insured**

To any insured, except "volunteer workers".

b. **Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. **Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

d. **Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. **Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. **Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

g. **Coverage A Exclusions**

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

a. All expenses we incur.

b. Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $250 a day because of time off from work.

e. All costs taxed against the insured in the "suit".

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

b. This insurance applies to such liability assumed by the insured;

c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with us in the investigation, settlement or defense of the "suit";

(b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the "suit"; and

(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of **Section I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as **Supplementary Payments** ends when:

a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or

b. The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If your application declares you to be:

   a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

   b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

   c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

   d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

   e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

   a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

      (1) "Bodily injury" or "personal and advertising injury":

         (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

         (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

         (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or

         (d) Arising out of his or her providing or failing to provide professional health care services.

      (2) "Property damage" to property:

         (a) Owned, occupied or used by,

         (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

   b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

   c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

A. Limits of Insurance

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

a. Medical expenses under Coverage **C**;

b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

c. Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to **2.** above, the Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under Coverage **A**; and

b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to **5.** above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

B. Deductible

Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Declaration Page as applicable to such coverages.

1. The deductible amount, if stated in the Declarations, applies on a **Per Occurrence** basis, as follows:
   - a. Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";
   - b. Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or
   - c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:
     - (1) "Bodily injury";
     - (2) "Property damage"; or
     - (3) "Bodily injury and "property damage" combined as the result of any one "occurrence".

     With respect to "property damage", person includes an organization.
   - d. The terms of this insurance, including those with respect to:
     - (1) Our right and duty to defend any "suits" seeking those damages; and
     - (2) Your duties in the event of an occurrence, claim, or "suit" apply irrespective of the application of the deductible amount.
   - e. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit", and upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.
2. The aggregate deductible amount, if stated in the Declarations, is the amount that will be your responsibility for all "damages" that are first reporting during the policy period.

SECTION IV – DEFINITIONS

1. "Administrators" means any administrator, superintendent or chief executive officer, chief operating officer, chief financial officer, medical director, department head or staff member that performs administrative duties for you.
2. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
   - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
   - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

3. "Auto" means:

a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

4. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

5. "Coverage territory" means:

a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or

c. All other parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in a. above;

(2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

6. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

7. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

8. "Fungus, mold or other contaminant" means any:

a. Airborne particles, microorganisms (living or dead), microbes, fragments, mycotoxins, toxins, allergens or particulate waste products generated by living organisms;

b. Fungi, including mold or mildew, any mycotoxins, toxins, allergens or particulate waste products generated by living organisms;

c. Solid, semi-solid or liquid irritants or contaminants, including biologic and etiologic agents or materials or any infectious bioaerosols, solids or gases.

9. "Hazardous properties" include radioactive, toxic or explosive properties.

10. "Healthcare professional services" means:

a. Medical, surgical, dental, x-ray, nursing, mental, or other similar health care professional services or treatments.

b. Providing or dispensing of food, beverages, medications or medical supplies or appliances in connection with services described in Paragraph a. above.

c. Handling or treatment of dead bodies, including autopsies, organ donation or harvesting or other procedures.

d. The work of your formal accreditation, standards review or equivalent professional board or committee done for any insured while:

(1.) Evaluating the professional qualifications or clinical performance of any provider of health care professional services; or

(2.) Promoting and maintaining the quality of health care professional services being provided.

e. The execution, or failure to execute, a decision or directive of your formal accreditation, standards review or equivalent professional board or committee.

11. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

12. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

a. The repair, replacement, adjustment or removal of "your product" or "your work"; or

b. Your fulfilling the terms of the contract or agreement.

13. "Insured contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

14. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

15. "Loading or unloading" means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

16. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in **a., b., c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in **a., b., c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

17. "Nuclear Facility" means any "nuclear reactor", "uranium isotopes separation device or equipment", "special nuclear material device or equipment", or "nuclear waste site". "Nuclear facility" includes the site on which it is located, all operations conducted on such site, and all premises used for such operations.

18. "Nuclear reactor" means any device, equipment, or machine designed or used to:

a. Sustain nuclear fission in a self-supporting chain reaction;

b. Contain a critical mass of fissionable material.

19. "Nuclear material" means any of the following materials which are defined in the federal Atomic Energy Act, or any of its amendments:

a. Source material;

b. Special nuclear material; or

c. By-product material.

20. "Nuclear waste site" means any structure, basis, excavation, premises, or place prepared or used for the storage or disposal of nuclear waste.

21. "Nuclear waste" means any waste material that contains by-product material and results from the operation of any "nuclear reactor", or "uranium isotopes separation device or equipment", by any insured. "Nuclear waste" does not include tailngs or wastes that result from the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content.

22. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

23. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

f. The use of another's advertising idea in your "advertisement"; or

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

24. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

25. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

26. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

27. "Sexual abuse" means any physical, mental, or moral harassment or assault of a sexual nature against any person.

28. "Special nuclear material devise or equipment" means any device or equipment used for the processing fabricating, or alloying of special nuclear material if the total amount of such material is at any time in the custody of any insured at the premises where the device or equipment is located and is more than 25 grams of plutonium or uranium 233 or any combination of those two materials; or is more than 250 grams of uranium 235.

29. "Spent nuclear fuel" means any solid or liquid fuel element or component that has been exposed to radiation or used in a "nuclear reactor".

30. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

31. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

32. "Wrongful Act" means any actual or alleged act, error or omission arising solely from the insured's services rendered for others.

33. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

34. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

35. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and

(2) The providing of or failure to provide warnings or instructions.

SECTION V – CLAIMS

A. **Notice of Claim or Suit:** As a condition precedent to the right to the protection afforded by this insurance, the Insured shall, as soon as practicable, give the Company written notice of any claim made against the Insured.

In the event suit is brought against the Insured, the Insured shall IMMEDIATELY forward to the Company every demand, notice, summons or other process received by him or by his representatives.

B. **Assistance and Cooperation of the Insured:** The Insured shall cooperate with the Company and upon the Company's request shall submit to examination and interrogation by a representative of the Company, under oath if required, and shall attend hearings, depositions and trials and shall assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits, as well as in the giving of a written statement or statements to the Company's representatives and meeting with such representatives for the purpose of investigation and/or defense, all without charge to the Company. The Insured shall further cooperate with the Company and do whatever is necessary to secure and effect any right of indemnity, contribution or apportionment which the Insured may have. The Insured shall not, except at his own cost, make any payment, admit any liability, settle any Claims, assume any obligation or incur any expense without the written consent of the Company.

C. **Subrogation:** In the event of any payment under this policy, the Company shall be subrogated to all the Insured's rights of recovery therefore against any person or organization, and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing to prejudice such rights.

The Company shall not exercise any such rights against any person, firms or corporations included in the definition of "Insured". Notwithstanding the foregoing, however, the Company reserves the right to exercise any rights of subrogation against an Insured in respect of any Claim brought about or contributed to by the intentional, dishonest, fraudulent, criminal or malicious act or omission of such insured.

Any amount recovered shall first be used for the repayment of expenses incurred toward subrogation; second, to any loss and expense payment by the Insured in excess of any deductible(s); third, to any loss and expense payments by an y excess carrier on behalf of the Insured; fourth, to any loss and expense payments by any primary carrier on behalf of the Insured; and, last, to repayment of the Insured's deductible.

D. **Action Against the Company:** No action shall lie against the Company unless, as a condition precedent thereto, the Insured shall have fully complied with all the terms of this policy, nor until the amount of the Insured's obligation to pay shall have been fully and finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Company.

Nothing contained in this policy shall give any person or organization any right to join the Company as a co-defendant in any action against the Insured to determine the Insured's liability. Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Company of any of its obligations hereunder.

E. **False or Fraudulent Claims:** If any Insured shall commit fraud in proffering any Claim, this insurance shall become void as to such Insured from the date such fraudulent claim is proffered.

SECTION VI –GENERAL LIABILITY CONDITIONS

1. **Bankruptcy**

   Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. **Duties In The Event Of Occurrence, Offense, Claim Or Suit**

   a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

      (1) How, when and where the "occurrence" or offense took place;

      (2) The names and addresses of any injured persons and witnesses; and

      (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

   b. If a claim is made or "suit" is brought against any insured, you must:

      (1) Immediately record the specifics of the claim or "suit" and the date received; and

      (2) Notify us as soon as practicable.

      You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

   c. You and any other involved insured must:

      (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

      (2) Authorize us to obtain records and other information;

      (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

      (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.

   d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. **Legal Action Against Us**

   No person or organization has a right under this Coverage Part:

   a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

   b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under **Coverages A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **c.** below.

b. Excess Insurance

This insurance is excess over:

(1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section I – Coverage A – Bodily Injury And Property Damage Liability.

(2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. **Premium and Audit**: Upon expiration of this policy, at the Company's request, the Named Insured shall furnish to the Company a statement of the Insured's actual total Sales or other premium base for the policy period. The actual earned premium shall be computed thereon at the premium rate in effect at policy inception. If the actual earned premium is more than the premium shown on the Declarations, the Insured may be required to pay the difference to the Company. The Company, or its authorized representatives shall have the right to require of the Insured, at any time within the said Policy Period , or one year thereafter, a sworn statement of the entire amount of the premium base during the whole or specific part of the said period, and the Named Insured shall furnish said statement within ten (10) days after request. The statement referred to shall be subject to verification and audit by a duly authorized representative of the Company, who shall have the right and opportunity to examine the books and records of the Insured as respects such basis of premium, and such examination may be made at any time during the said period and within three (3) years thereafter. The rendering of any estimate or statement or the making of any previous settlement shall not bar the examination herein provided for, nor the Company's right to additional premium.

6. **Representations**

   By accepting this policy, you agree:

   a. The statements in the Declarations are accurate and complete;

   b. Those statements are based upon representations you made to us; and

   c. We have issued this policy in reliance upon your representations.

7. **Separation Of Insureds**

   Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

   a. As if each Named Insured were the only Named Insured; and

   b. Separately to each insured against whom claim is made or "suit" is brought.

8. **Transfer Of Rights Of Recovery Against Others To Us**

   If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. **When We Do Not Renew**

   If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

   If notice is mailed, proof of mailing will be sufficient proof of notice.

10. **Application**: By acceptance of this policy, the Insured agrees that the statements in the applications are his representations, that they shall be deemed material, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company, or any of its agents, relating to this insurance.

11. **Prevention of Loss**: In the event of an Occurrence involving the operations/hazards covered by this Policy, the Insured shall promptly, at this expense, take all reasonable steps to prevent other Personal Injury or Property Damage from arising out of the same or similar conditions.

12. **Changes**: Notice to any agent of knowledge possessed by any agent or other person acting on behalf of the Company shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of the policy, nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

13. **Assignment**: Assignment of interest under this policy shall not bind the Company unless its consent is endorsed hereon.

14. **Cancellation**: This policy may be cancelled by the Named Insured on behalf of all Insureds by surrender thereof to the Company or by mailing to the aforementioned written notice stating when thereafter such cancellation shall become effective. If cancelled by the Named Insured, the Company shall retain the customary short rate proportion of the premium

This policy may be cancelled by the Company, by mailing to the Named Insured, at the address stated in the Declarations, written notice stating when, not less than thirty (30) days thereafter, such cancellation shall be effective. However, if the Company cancels the policy because the Named Insured has failed to pay a premium or deductible when due, this policy may be cancelled by the Company by mailing a written notice of cancellation to the Named Insured stating when, not less than ten (10) days thereafter, such cancellation shall be effective. The mailing of notice as aforementioned shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the Policy Period. Such notice shall be conclusive on all Insureds. Delivery of such written notice by the Named Insured or the Company shall be equivalent to mailing. If cancelled by the Company, earned premium shall be computed pro rata.

15. **Inspection**: Any of the Company's authorized representatives shall have the right and opportunity, whenever the Company so desires, to inspect at any reasonable time the Insured's premises and operations, but the Company assumes no responsibility or duty by reason of such inspection or the omission thereof. The Insured agrees to provide appropriate personnel to assist the Company's representatives during such inspection without cost to the Company.

16. **Authorization**: By acceptance of this policy, the first person or Entity named in Item 1 of the Declarations agrees to act as Named Insured with respect to the giving and receiving of all notice as provided herein; the exercising of the Optional Extended Reporting Period, the cancellation of this policy, the payment of premiums and deductibles, the receiving of any return premiums that may become due; and the Insureds agree that such person or entity shall act on their behalf.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM ENDORSEMENT

If this insurance is cancelled at your request, there will be a minimum earned premium retained by us of 25% of the premium for this insurance.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

REPORTING A CLAIM

Berkley Select, LLC is committed to providing our clients with effective claim service.

In the event of an incident which may result in a claim, an actual claim, or your receipt of suit papers, please follow the procedures outlined below.

NOTICE OF EACH INCIDENT, CLAIM OR SUIT SHOULD IMMEDIATELY BE REPORTED TO:

Berkley Select, LLC
Professional Liability Claims Department
250 South Wacker Drive, Suite 700
Chicago, IL 60606
Phone Number: 312-881-1336

To enable us to respond more quickly and efficiently, whenever possible, please fax or email a completed claims notice form and any pertinent details of the claim directly to the Claim Department at:

Fax.# 1-866-461-3193 Attn: Professional Liability Claims
Email address: medclaims@berkleyselect.com

PLEASE BE SURE TO INCLUDE:

- **Your Name, Address and Phone Number;**
- **Your Policy Number and the Policy Period;**
- **Any information about the claim you feel is important that was not included in the claim report form;**
- **If you are submitting the report by mail or fax, please also include any letters of demand or any legal papers which you have received regarding the claim.**

IMPORTANT NOTICE TO POLICYHOLDERS

- The insurance policy you have purchased is being issued by an insurer that is not licensed by your state. These companies are called "Non-Admitted" or "Surplus Lines" Insurance Companies.
- The Insurance Company is not subject to the financial solvency regulation and enforcement which applies to licensed insurers.
- The Insurance Company does not participate in any of the Insurance Guaranty Funds that may exist in your state. Therefore, these Funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.
- Your State Insurance Department maintains a list of eligible Surplus Lines Insurance Companies approved by the Insurance Commissioner. Ask your agent or broker if the insurer is on that list.
- For additional information about the insurer, you should ask questions of your insurance agent, broker for "Surplus Lines" broker or contact your state Insurance Department.
- If you, as the applicant, required that the insurance policy you have purchased be bound immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage during that five-day period, the premium will be prorated and any broker fee charged for this insurance will be returned to you.

SERVICE OF SUIT ENDORSEMENT - CALIFORNIA

Pursuant to any statute of any state, territory or district of the United States which makes provision therefore, we hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the Statute, or his successor or successors in office, as our true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of you or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the below named as the person to whom the said officer is authorized to mail process or a true copy thereof.

The Company may be sued upon any cause of action arising in the State of California upon any policy issued by it, or any evidence of insurance issued or delivered by a surplus lines broker, pursuant to the procedures of Sections 1610 to 1620 of the Insurance Code.

It is further agreed that service of process in such suit may be made upon CT Corporation System 818 West Seventh St. Los Angeles, CA 90017 and that in any suit instituted against any one of them upon this policy, we will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

It is agreed that in any state requiring a standard form of policy, insurance hereunder on values or properties in such state shall attach and cover in accordance with the terms and conditions of such standard form.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE BENEFITS LIABILITY COVERAGE

THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.

This endorsement modifies insurance provided under the following:

HEALTHCARE GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Coverage	Limit Of Insurance	Deductible	Premium
Employee Benefits Programs	$ 1,000,000 each employee $ 3,000,000 aggregate	$ 1,000	$ INCLUDED
Retroactive Date:	01/01/98		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. The following is added to **Section I – Coverages:**

COVERAGE – EMPLOYEE BENEFITS LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Paragraph **D.** (Section **III** – Limits Of Insurance); and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

b. This insurance applies to damages only if:

(1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";

(2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and

(3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph **c.** below, during the policy period or an Extended Reporting Period we provide under Paragraph **F.** of this endorsement.

c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:

(1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

(2) When we make settlement in accordance with Paragraph **1.a.** above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

2. Exclusions

This insurance does not apply to:

a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

(1) Failure of any investment to perform;

(2) Errors in providing information on past performance of investment vehicles; or

(3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments – Coverages **A** and **B** are replaced by Supplementary Payments – Coverages **A, B** and **Employee Benefits Liability.**

2. Paragraphs **1.b.** and **2.** of the Supplementary Payments provision do not apply.

C. For the purposes of the coverage provided by this endorsement, Paragraphs **2.** and **3.** of **Section II – Who Is An Insured** are replaced by the following:

2. Each of the following is also an insured:

   a. Each of your "employees" who is or was authorized to administer your "employee benefit program".

   b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.

   c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:
   a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
   b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.

D. For the purposes of the coverage provided by this endorsement, **Section III – Limits Of Insurance** is replaced by the following:

1. **Limits Of Insurance**
   a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
      (1) Insureds;
      (2) "Claims" made or "suits" brought;
      (3) Persons or organizations making "claims" or bringing "suits";
      (4) Acts, errors or omissions; or
      (5) Benefits included in your "employee benefit program".
   b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
   c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
      (1) An act, error or omission; or
      (2) A series of related acts, errors or omissions

      negligently committed in the "administration" of your "employee benefit program".

      However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

   The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

2. **Deductible**
   a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
   b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
   c. The terms of this insurance, including those with respect to:
      (1) Our right and duty to defend any "suits" seeking those damages; and
      (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"

      apply irrespective of the application of the deductible amount.
   d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

E. For the purposes of the coverage provided by this endorsement, Conditions **2.** and **4.** of **Section IV – Commercial General Liability Conditions** are replaced by the following:

2. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"

a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:

(1) What the act, error or omission was and when it occurred; and

(2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

b. If a "claim" is made or "suit" is brought against any insured, you must:

(1) Immediately record the specifics of the "claim" or "suit" and the date received; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **c.** below.

b. Excess Insurance

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:

(a) No Retroactive Date is shown in the Schedule of this insurance; or

(b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.

(2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

c. **Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance of all insurers.

F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

EXTENDED REPORTING PERIOD

1. You will have the right to purchase an Extended Reporting Period, as described below, if:

   a. This endorsement is canceled or not renewed; or

   b. We renew or replace this endorsement with insurance that:

      (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or

      (2) Does not apply to an act, error or omission on a claims-made basis.

2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.

3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

   You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

   We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

   a. The "employee benefit programs" insured;

   b. Previous types and amounts of insurance;

   c. Limits of insurance available under this endorsement for future payment of damages; and

   d. Other related factors.

   The additional premium will not exceed 100% of the annual premium for this endorsement.

   The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

   The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

   Paragraph **D.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.1.c.**

G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

1. "Administration" means:

   a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";

   b. Handling records in connection with the "employee benefit program"; or

   c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

   However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.
4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
   a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
   b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
   c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
   d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
   e. Any other similar benefits designated in the Schedule or added thereto by endorsement.

H. For the purposes of the coverage provided by this endorsement, Definitions **5.** and **18.** in the **Definitions** Section are replaced by the following:

5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
   a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
   b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES (AUTOMATIC)

This endorsement modifies insurance provided under the following:

HEALTHCARE GENERAL LIABILITY COVERAGE FORM

Section II - WHO IS AN INSURED is amended to include as an additional insured any person or organization when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured, but only with respect to liability arising out of the ownership, maintenance or use of the part(s) of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the additional insured.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE, OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF NAMED INSUREDS

This endorsement modifies insurance provided under the following:

HEALTHCARE GENERAL LIABILITY COVERAGE FORM

Item 1. of the Declarations is amended to include the following:

NAMED INSURED:	RETROACTIVE DATE (If applicable):
Corporate	
CRC Health Group, Inc. (But only with respects to the operations of the Named Insured).	N/A
Aspen Institute for Behavioral Assessment, LLC	N/A
Aspen Solutions inc.	N/A
Aspen Youth, Inc.	N/A
AYS Management Inc.	N/A
Academy of the Sierras, LLC	N/A
Academy of the Sierras, LLC dba Wellspring Academy California	N/A
Academy of the Sierras, LLC dba Wellspring Academy of the Sierras North Carolina (In NC)	N/A
Adirondack Leadership Expeditions, LLC	N/A
AHS of Idaho, Inc. dba SUWS Adolescent Program; SUWS Youth Program	N/A
Aspen Achievement Academy, LLC	N/A
Aspen Ranch, LLC	N/A
Bromley Brook School, LLC	N/A
Camp Huntington Inc.	N/A
Camp Wellspring, LLC dba Wellspring Family Camp, LLC (in MI)	N/A
Camp Wellspring, LLC dba Wellspring Hawaii (closed)	N/A
Camp Wellspring, LLC dba Wellspring New York	N/A
Camp Wellspring, LLC dba Wellspring Texas	N/A
Camp Wellspring, LLC dba Wellspring Wisconsin	N/A
Camp Wellspring, LLC dba Wellspring Pennsylvania	N/A
Camp Wellspring, LLC dba Wellspring Florida	N/A
Copper Canyon Academy, LLC	N/A
Four Circles Recovery Center, LLC	N/A
Healthy Living Academies, LLC dba Wellspring Camps (CA)	N/A
Healthy Living Academies, LLC dba Wellspring Retreats (CA and NC)	N/A

NAMED INSURED:	RETROACTIVE DATE (if applicable):
Island View Residential Treatment Center, LLC	N/A
Mount Bachelor Educational Center, Inc. aka Mount Bachelor Academy ✓	N/A
Talisman Academy, LLC formerly New Leaf Academy of North Carolina, LLC aka NC Real Estate,LLC (closed)	N/A
New Leaf Academy OR	N/A
Northstar Center, LLC	N/A
Oakley School, LLC	N/A
Passages to Recovery, LLC	N/A
Phoenix Outdoor LLC	N/A
SunHawk Academy of Utah, Inc.	N/A
SUWS of the Carolinas dba SUWS Seasons (NC)	N/A
Swift River Academy, LLC	N/A
Stone Mountain School, Inc.	N/A
Talisman Summer Camp, LLC	N/A
Turn-About Ranch, Inc.	N/A
Walkabout Expeditions, LLC dba Outback Therapeutic Expeditions, LLC	N/A
Wellspring Adventure Camp, LLC dba Wellspring Adventure Camp LLC in California	N/A
Wellspring Adventure Camp, LLC dba Wellspring Adventure Camp California and North Carolina	N/A
Wellspring Community Programs LLC	N/A
Wellspring Australia	N/A
Wellspring UK Ltd	N/A
Wilderness Therapy Programs, Inc. dba Sage Walk, The Wilderness School (closed)	N/A
Youth Care of Utah, Inc. dba Pine Ridge Academy	N/A
Youth Care of Utah, Inc. dba Youth Care (UT)	N/A

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED CANCELLATION/NON-RENEWAL PROVISION

This endorsement modifies insurance provided under the following:

HEALTHCARE GENERAL LIABILITY COVERAGE FORM

In consideration of the premium paid, it is agreed that **Section VI – GENERAL LIABILITY CONDITIONS, Item 9. When We Do Not Renew** and **Item 14. Cancellation** are deleted in their entirety and replaced with the following:

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the non-renewal not less than 90 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

14. Cancellation: This policy may be cancelled by the Named Insured on behalf of all Insureds by surrender thereof to the Company, or by mailing to the aforementioned written notice stating when thereafter such cancellation shall become effective. If cancelled by the Named Insured, the Company shall retain the customary short rate proportion of the premium

This policy may be cancelled by the Company, by mailing to the Named Insured, at the address stated in the Declarations, written notice stating when, not less than 90 days thereafter, such cancellation shall be effective. However, if the Company cancels the policy because the Named Insured has failed to pay a premium or deductible when due, this policy may be cancelled by the Company by mailing a written notice of cancellation to the Named Insured stating when, not less than ten (10) days thereafter, such cancellation shall be effective. The mailing of notice as aforementioned shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the Policy Period. Such notice shall be conclusive on all Insureds. Delivery of such written notice by the Named Insured or the Company shall be equivalent to mailing. If cancelled by the Company, earned premium shall be computed pro rata.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

HEALTHCARE GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)
Regents of The University of California
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

A. In the performance of your ongoing operations; or

B. In connection with your premises owned by or rented to you.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INDEPENDENT CONTRACTOR COVERAGE

This endorsement modifies insurance provided under the following:

HEALTHCARE GENERAL LIABILITY COVERAGE FORM

In consideration of the premium charged, **Section II, WHO IS AN INSURED; Subsection 2**, is deleted in its entirety and replaced by the following:

2. a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), or your independent contractors but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees", independent contractors or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, to other independent contractors, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee", independent contractor or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", independent contractors, "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee", independent contractor or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

HEALTHCARE GENERAL LIABILITY COVERAGE FORM

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

Injury or damage arising directly or indirectly, out of an "act of terrorism".

B. The following definition is added:

ACT OF TERRORISM means any act that is certified by the Secretary of the Treasury – in concurrence with the Secretary of State, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States

C. In the event of any incident of an "act of terrorism" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL CHANGE ENDORSEMENT
AMENDING AIRCRAFT, AUTO OR WATERCRAFT EXCLUSION

This endorsement modifies insurance provided under the following:

HEALTHCARE GENERAL LIABILITY COVERAGE FORM

In consideration of the premium charged, it is agreed that **SECTION I –COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, G. Aircraft, Auto or Watercraft** is deleted in its entirety and replaced with the following:

g. **Aircraft, Auto or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 50 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or

(b) the operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

e. Any trustees or members of your Board of Governors, but only as respects to their duties as your trustees or members.

f. Any student teachers as part of their educational requirements, but only with respect to their duties as your student teachers.

g. Any faculty member or teaching assistant, but only with respect to their duties as your faculty members or teaching assistants.

h. Any committee members or representatives to any educational associations of which you are a member, but only with respect to their duties as your committee members or representatives to such educational associations;.

i. Your students, but only as respect to conduct and activities related to their educational and treatment curriculum.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.